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Localism, Regeneration and Renaissance

An exploration of the factors that enable and inhibit place-based partnerships

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LOCALISM, REGENERATION AND RENAISSANCE: AN EXPLORATION OF THE FACTORS THAT ENABLE AND INHIBIT PLACE-BASED PARTNERSHIPS

Volume 1 of 2: Thesis

Catherine (Kate) Broadhurst

**A thesis submitted in partial fulfilment of the University's
requirement for the Degree of Doctor of Philosophy**

September 2018



Ethical Approval

The main content of the ethics application is provided in Appendix A



Certificate of Ethical Approval

Applicant:

Catherine Broadhurst

Project Title:

Localism, Regeneration and Renaissance: The Role of Central and Local
Government in Driving Growth

This is to certify that the above named applicant has completed the Coventry University Ethical Approval process and their project has been confirmed and approved as Medium Risk

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Abstract

England has experienced perpetual difficulty in establishing a durable level of governance between central and local government to direct economic growth. The abolition of Regional Development Agencies (RDAs) in favour of 38 voluntary Local Enterprise Partnerships (LEPs) alongside the construction of a growing number of Combined Authorities makes for a complex place-based economic landscape. Although a number of studies have examined LEPs, they have tended to focus on their early development. There has not been a strong focus on the factors that underpin their effectiveness, and this is compounded by the lack of formal guidance. This thesis addresses that gap to explore whether there are common factors that enable (and inhibit) LEPs to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area.

The research applies a Soft Systems Methodology as a learning tool to a new area of social science, successfully demonstrating the usefulness of this methodology to the field. A synthesis of the literature on economic ecosystems and partnership collaboration was undertaken to propose a conceptual model of place-based partnerships comprising six factors that was further developed and authenticated through an empirical study of the LEPs. The findings offer validation of the model but also reveal wider micro and macro isomorphic forces at play. The persistence of centralism in the English context is evident which limits the LEPs' capacity to fill the missing space between central and local government and as relatively new structures, the LEPs are being hampered by these dominant and enduring forms of governance.

The study reinforces the evidence that conditional localism endures in England placing these sub-national partnerships in a weak position of dependency on central and locally established governance institutions to function and achieve legitimacy. It concludes with a refined version of the model, termed the Compass of Collaboration, that addresses the gap in knowledge as to the factors that support these place-based partnerships. The unique model, validated by policy makers and practitioners, offers an original, robust and supportive tool for the leaders of place-based partnerships. The Compass enhances understanding of how the LEPs might achieve path-breaking behaviour. By applying a shared local vision and values the LEP can then chart a path towards a more transformative local industrial strategy that fosters economic growth that counters the mimetic and coercive forces of central and local government. Beyond the LEPs, given the global trend of decentralisation towards place-based industrial strategies, further research into the conceptual model is encouraged to support the development of place-based partnerships.

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1 Setting the scene: introduction, aims and objectives

1.1 Introduction

Aristotle first coined the philosophical phrase ‘the whole is greater than the sum of its parts’. By working in collaboration partners should expect to achieve synergistic benefits beyond their own reach and capability. As a result, partnership has become a popular form of governance worldwide and is a preferred model of the delivery for economic development policy in England where 38 Local Enterprise Partnerships (LEPs)¹ draw together the public and private sector to deliver local economic priorities and lead economic growth in local areas.

The LEPs were created in 2010 and were preceded by a period of considerable instability in the form and scale of partnership iterations that were subsequently deemed to be policy failures by independent or government funded studies (Pugalis and Townsend, 2013). The LEPs were set up by government with few parameters and limited formal guidance has followed. There have been calls for a greater level and consistency of guidance to support these place-based partnerships (Bentley, Pugalis and Shutt, 2017; Pike *et al.*, 2018). This thesis addresses that gap to provide greater understanding of the factors that underpin place-based partnerships and present a model to guide practice.

This chapter provides the context and rationale for the research. The chapter sets the scene for the research and arguments presented here will be elaborated further through the course of the thesis. The chapter divides into three parts. Section 1.2 situates the research into LEPs in a wider framework of research comprising the decentralisation of economic development, the factors that support economic, place-based ecosystems and the notion of partnership as a form of governance. This not only provides a strong justification for the research but also introduces the origin of the aims and objectives outlined in section 1.3. The final section 1.4 outlines the structure of the thesis and explains in brief the purpose and content of each subsequent chapter.

¹ A glossary of abbreviations and key terms is provided in appendix B.

1.2 Research context and rationale

In the pursuit of economic growth, England has historically retained a level of central control and dependence. Since the Second World War, government policy has largely adopted a centralised approach whereby a dominant Whitehall remains organised across a series of functional, thematic departments and retains much of the power and responsibility (Bentley, Bailey and Shutt, 2010; Ayres and Pearce, 2013; Clarke and Cochrane, 2013). Modern globalisation processes accelerated significantly from the 1980s creating a fast-paced, inter-connected world where centralised systems have struggled under the onset of global competition. Accordingly, local development policy began to take greater account of place (Dicken, 2003, 2015; Amin, 2004) and in the UK various governments have sought to decentralise and devolve power although devolution to the Celtic States has been more pronounced than to the regions.

The move towards greater decentralisation is not unique to the UK but is an international phenomenon and a clear shift towards place-based policies can be traced across most European Union (EU) member countries, encouraged in part by broader processes of globalisation (Barca, 2009; Garcilazo, 2011). Devolution exists more naturally in other European countries and in several States including Switzerland, Austria, Germany, Belgium, regionalism is an entrenched constitutional principle. Although a limited number of policy areas are dealt with centrally, federal states retain authority and autonomy for the governance of many other areas including economic development (Storper, 1995; Barca, 2009). In their attempts to secure a devolved form of governance, England has struggled to fill the 'missing space' between central and local government that appears to exist more naturally in other countries and is considered by some to have an absent tier of functional economic governance between the centre and the local (Hildreth and Bailey, 2014).

Various attempts have been made in England to devolve and decentralise through the construction of numerous iterations of intermediate tiers of economic governance between the national and the local. Pike *et al.* (2016) liken this to an 'oscillating pendulum' that has swung from the regional to the local across several versions of devolved governance creating a complex landscape.

Economic development policy was decentralised by the Labour government in 1997 to Regional Development Agencies (RDAs) who were tasked with the development and implementation of development policy across nine regions. They were regarded by some as a logical tier for economic

development that brought Britain in line with the regionalism common in Europe (Bentley *et al.*, 2010). During a time of economic austerity, the Conservative/ Liberal Democrat Coalition government (2010-2015) abolished the RDAs in 2010 which they saw as bureaucratic and costly and introduced LEPs.

The Coalition government and subsequent Conservative government (2015 onwards) have favoured a policy approach of localism (Shaw and Robinson, 2012; Huggins and Thompson, 2013; Ayres and Pearce, 2013). The White Paper *Local Growth: realising every place's potential* (BIS, 2010) set out the Coalition government's vision and appeared to mark a further shift from away from centralised government whereby LEPs adopted the geography of local communities, authorities and businesses. The closure of RDAs and introduction of LEPs was heralded by the government as part of their wider plans for a 'Big Society' where power was devolved far more to local agencies and communities to secure regeneration and growth for all localities (Bentley *et al.*, 2010; Shaw and Robinson, 2012; Hildreth and Bailey, 2013).

The Conservatives continued to further the localism agenda by pursuing a range of 'devolution deals' through the creation of the Combined Authorities - legal structures set up by local authorities in England. The Local Democracy, Economic Development and Construction Act 2009 and the Cities and Local Government Devolution Act 2016 paved the way for two or more local authorities to take on statutory functions transferred to them by an Order made by the Secretary of State, plus any functions that the constituent authorities agree to share (Bentley and Pugalis, 2013). Localism was promoted as a mechanism to deliver a host of varied outcomes including spatial rebalancing of the economy; delivering political advantage; promoting public sector reform; improving political accountability; addressing societal challenges; promoting economic growth; and contributing to deficit reduction.

Whether these apparent moves towards decentralisation are in effect anything other than rhetoric has been the subject of challenge (Pratchett, 2004; Bentley *et al.*, 2010; Crowe, 2011; Bentley and Pugalis, 2013; Hildreth and Bailey, 2014) and led to questioning of whether the move from RDAs to LEPs was truly a move towards localism or simply recentralism in disguise given that LEPs were afforded limited resource and power by the centre; and certain RDA responsibilities were returned to Whitehall in the process (Bentley, Bailey and Shutt, 2010).

LEPs were set up with minimal formal guidance and their locally determined nature means there

have been limited opportunities for shared practice. There have been increased calls for greater clarity in the way LEPs are evaluated to enhance their accountability given their use of significant public resources (Heseltine, 2012; NAO, 2016a; 2016b; Her Majesty's Government, 2017). In July 2018 a review of LEPs, published by the Ministry for Housing, Communities and Local Government (MHCLG, 2018) set out the government's expectations of the LEPs' and required them to strengthen their leadership, improve their accountability and provide greater clarity on their geography. Again, little guidance was on offer.

Whilst Cox and Hunter (2015) recognise that a one-size-fits-all approach to place-based partnerships would be unsuitable, others argue that the government's approach to decentralisation has been applied too inconsistently and call for a greater level and consistency of guidance to support the long-term strategic planning, development and governance by central and local actors (Pike *et al.*, 2016).

Published research into the effectiveness of LEPs has to date largely focused on LEPs through their early development stages and the authors of these studies have recognised that they were constrained by many 'known unknowns' and 'unknown unknowns' at the time of writing because of the infancy of the institutions they were examining (Bentley, Bailey and Shutt, 2010; Shutt, Pugalys and Bentley, 2012; Bentley and Pugalys, 2013; Pugalys and Bentley, 2013a; Ward and Hardy, 2013). The time is ripe for further exploration of the LEPs as place-based partnership to nurture a local ecosystem and secure economic growth. The empirical research presented in this thesis builds on earlier research to explore the LEPs now fully grown and identify whether there are common factors that enable (and inhibit) their ability to function effectively with the aim of filling the gap in guidance available not only to LEPs but to other forms of place-based partnership.

Through an analysis of empirical research undertaken with the LEPs, this thesis considers whether there are common factors that enable (and inhibit) their progress that might offer guidance to all LEPs and other forms of place-based partnership. It draws first on the existing literature and theory to develop a conceptual model of place-based partnership that is then explored and expanded upon through the empirical research to develop the model further.

As localised systems of collaboration to drive growth, the model of economic development unpinning LEPs has its roots in two bodies of literature. Firstly, decentralisation towards a more functional economic geography draws on Porter (1990) and the related literature on economic

activity clusters, innovation systems and entrepreneurial ecosystems (Isenberg, 2011; Feld, 2012; Coombes, 2014; Foray, 2015; Acs *et al.*, 2017). It is well established that economic activity has a tendency to cluster in specific geographical locations and clustering and innovation systems are concepts that have been the topic of much debate since they gained popularity from the 1990s (Porter, 1990, 2003; Feldman and Francis, 2004; Huggins and Williams, 2011; Pitelis, 2012; Feldman, 2014; Mason and Brown, 2014).

There is a vast body of international research that observes that some places appear to have more enterprising cultures than others and those areas are better equipped to nurture and support a network of entrepreneurs (Morgan, 1997; Porter, 2003; Feldman, Francis and Bercovitz, 2005; Feldman, 2014). Those places with a strong enterprise culture, it is argued, have access to knowledge and are able to develop stronger innovation systems with resulting growth (Huggins and Williams, 2011; Pitelis, 2012; Huggins and Thompson, 2013).

The entrepreneurial ecosystems approach offers a distinctive perspective on the geographical clustering of economic activity that places the entrepreneur at the centre of the system with other actors including government there in a supporting role. The examination of innovation and entrepreneurial ecosystems has questioned the role of the government (both central and local) within the system and suggested that government has the potential to be both facilitator and inhibitor of a healthy economic ecosystem. Pike *et al.* (2015) warn that without effective institutional supports from government and other key partner institutions, the ecosystem will be hampered. Their research undertook a national survey of LEPs to explore the progress they had made in the first few years of their development and observed a distinction between low growth and high growth localities. Places with low growth often suffered from ‘institutional bottlenecks’ (2015: p. 7). Others have regarded the specific institutional arrangements of a locality as the filter through which economic activity takes hold (Storper, 2011; Barca and Rodriguez-Pose, 2012) and Huggins *et al.* (2015) call for intervention and support orchestrated by effective institutions to unlock enterprise culture in all localities.

Government at both the central and local level is a key institution within the LEP and will influence the partnership in its pursuit of economic growth. Similarly, the LEP can be regarded as an institution in its own right – a structure that co-ordinates and brings together a range of different actors and activities. The effectiveness of these institutions has yet to be subject to a full, independent evaluation but early commentators recognise that LEPs have the ability to both

constrain and enable the local economic ecosystem (Shutt, Pugalís and Bentley, 2012; Bentley and Pugalís, 2013; Pike *et al.*, 2013). This research aims to build on earlier research to explore and understand the factors that are common to those LEPs who have an enabling and constraining influence.

The second body of literature concerns the governance of functional economic space by a partnership approach. Growing in popularity in the 1990s, partnership working is an established form of governance for economic development and the literature offers a steer as to the drivers of partnership effectiveness that reveals commonality across a range of agendas not just economic development (Carley, 2000; Huxham, 2003; Geddes, 2006; McQuaid, 2009; Bentley, Pugalís and Shutt, 2017). As such, the notion of partnership as a form of governance is of clear interest to this research. The promotion of partnership and greater collaboration between national and local government, private and voluntary sector has become a staple element of strategies to promote social and labour market inclusion at national and supra-national levels (Geddes, Davies and Fuller, 2007; Peck *et al.*, 2013; Pugalís and Townsend, 2013). Understanding the theories of partnership and collaboration are of value to our understanding of LEPs. In particular, by exploring the factors that enable and inhibit the LEPs to nurture their local economic ecosystems can enable us to understand how these institutions might better promote economic development and growth; and in so doing might unpick the constituent elements of a place-based partnership that can support their effectiveness in developing a local enterprise culture.

1.3 Aims and objectives

The programme of research described in this thesis was directed to fulfilling the following research aim: to explore whether there are common factors that enable (and inhibit) Local Enterprise Partnerships to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area.

The motivation behind the creation of the LEPs has been the topic of much debate with LEPs promoted as a mechanism to deliver a host of varied outcomes including spatial rebalancing of the economy; delivering political advantages; promoting public sector reform; improving political accountability; addressing societal challenges; promoting economic growth; and contributing to deficit reduction (Broadhurst, 2018). For the purpose of setting the research aim the purpose of the LEPs reflects the wording set out in the initial government White Paper (2010).

The research was then guided by a number of research objectives:

- To understand the key components of a model for partnership effectiveness
- To explore the factors that drive and inhibit progress in LEPs
- To consider whether it is feasible and desirable to develop a model to assist the development of place-based partnerships

On the term partnership effectiveness, the Industrial Strategy (HM Government, 2017) identified that whilst Government remained committed to LEPs, there was concern that performance varied across the country with some LEPs operating more effectively than others on issues such as governance, monitoring and evaluation and business engagement. The subsequent ministerial review of LEPs (MHCLG, 2018) ushered in increased scrutiny of performance but offered little clarity as to what effectiveness looked like or how it could be gauged.

As collaborations of multiple actors from different sectors and geographies, the performance of each LEP will differ based on the individual characteristics of both the partnership and the place within which it is situated (Massey, 1991). Similarly, determining whether economic outcomes and benefits can be attributed directly to the performance of any individual LEP will be difficult given the complexity of the partnership and the ecosystem within which it operates. As such it is unsurprising that a clear definition of what constitutes an effective partnership remains elusive amongst government, academics and policy think tanks.

However, for the purpose of progressing this research, partnership effectiveness is viewed as a combination of both the softer components and processes that underpin the partnership and the harder measures that related to their performance within the context of the wider environmental influences. As such partnership effectiveness in this research is defined by the researcher as:

- the qualitative measures that encompass the components of partnership working such as quality of leadership, robustness of governance arrangements and levels of human and financial resourcing, and
- the quantitative measures of economic performance that relate to LEP interventions to improve growth in their area such job creation, skills increase, gross value added
- with consideration given to the wider local contextual attributes such as skill and literacy levels, viability of land, and proximity of higher education institutes.

The research adopts a Soft System Methodology (SSM) to systematically guide the data collection. SSM is widely used as a learning and development tool to intervene in complex problems (Checkland and Poulter, 2010). Unlike Hard Systems Methodologies that assume problems are clearly defined with agreed goals, SSM deals with problems that are 'fuzzy' in nature with less clear objectives. The methodology accommodates different perceptions of the situation and so works well in the study of partnerships. Philosophically, the study draws on an epistemology that stresses knowledge is constructed from personal experience of the environment. Accordingly, this research draws on an interpretivist position that accepts that reality is perceived differently and can accommodate different worldviews in the pursuit of improvements to problematic situations.

The research draws on the existing literature and theoretical frameworks pertinent to economic development, ecosystems and partnership working to understand the factors that commonly enable and inhibit the effectiveness of partnerships and develops a conceptual model of place-based partnership. The model is then explored and refined through the empirical research undertaken with LEPs to consider whether it is feasible to identify the mix of factors that underpin an effective LEP. From there, a model of practice termed by the researcher as the Compass of Collaboration is developed that constitutes a unique contribution to the academic literature pertaining to place-based partnerships.

The research represents the first detailed exploration of a cohort of established LEPs and contributes to a growing body of literature on models of economic development, entrepreneurial ecosystems and facilitates a greater understanding of partnership as a form of governance. In the English context, the research has considerable policy and practitioner value. The Compass of Collaboration offers a tangible solution to support LEPs and, given that the components of an effective partnership are likely to have a degree of transferability, will be of value to the establishment and development of other place-based partnerships. This includes institutions such as Combined Authorities and beyond England might be of value to other European forms of place-based collaboration.

1.4 Summary: structure of the thesis

The thesis comprises seven chapters designed to fulfil the aim and objectives set out in section 1.3. The first four chapters provide the conceptual and methodological framework and chapters 5 to 7 concern the operationalisation of the empirical research. The specific role and composition of each

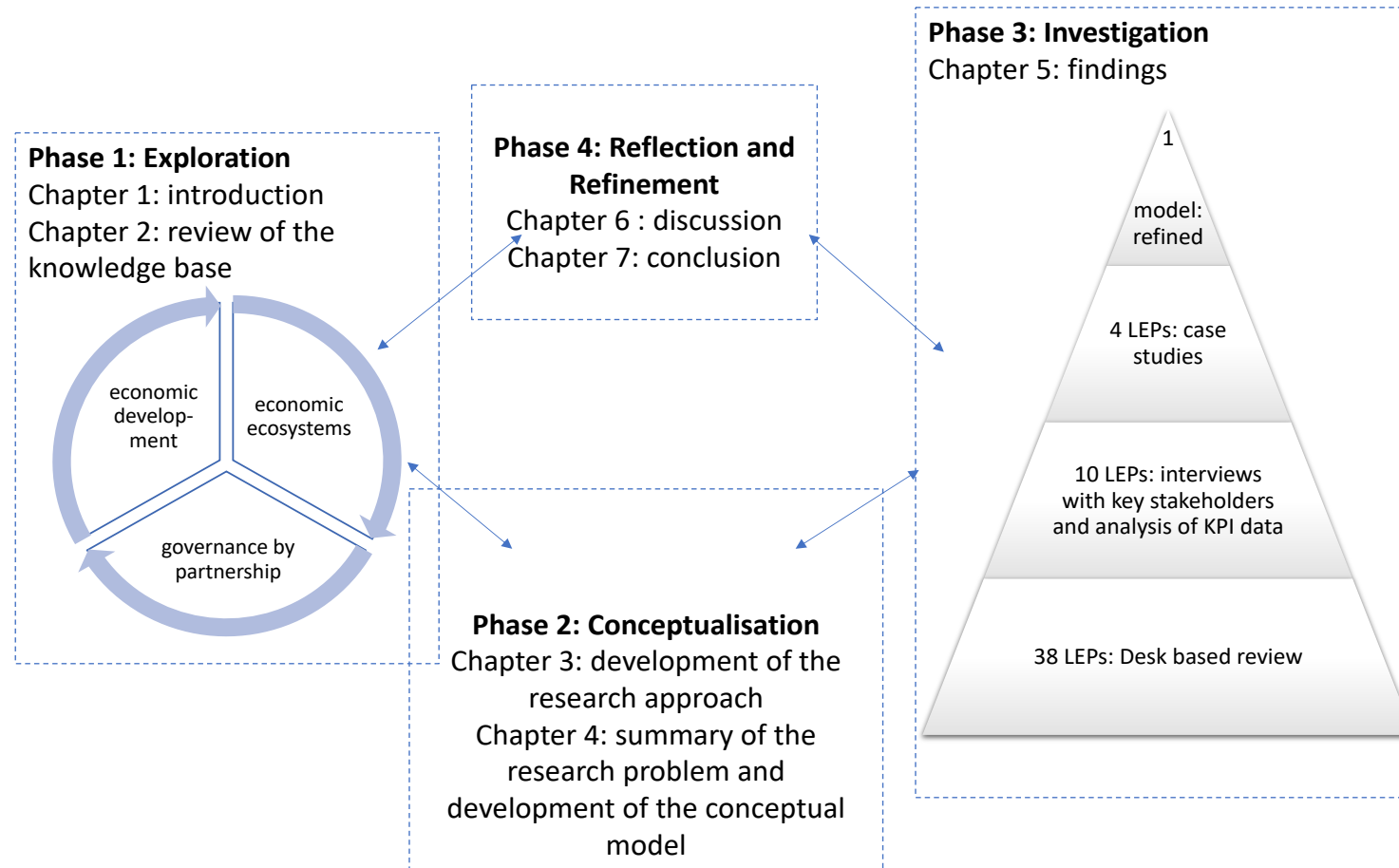
of these chapters is as follows, depicted in Figure 1.1. Chapter 1 has set the scene and outlined the research aims and objectives. Chapter 2 undertakes a critical review of the knowledge-base to demonstrate an understanding of the key subject areas, in particular: economic development, innovation and entrepreneurial ecosystems and partnership as forms of governance. It concludes with a summary of the theoretical framework that underpins the research.

Chapter 3 provides the research design and methodology and describes the data collection process justifying the research methods chosen to achieve the aims and objectives of the thesis. The chapter reiterates the research aims and objectives and covers philosophy, approach and ethical considerations. Chapter 4 concludes the conceptualisation phase and provides a summary and visual presentation of the research problem and from there a presentation of the development of a draft conceptual model of place-based partnership working.

Chapter 5 presents the investigation of the draft conceptual model through a thematic analysis of the data collected across the various stages namely a desk-based review of 38 LEPs², a series of semi-structured interviews with stakeholders from 10 LEPs and an analysis of data from a series of four LEP case studies in order to refine the model. Chapter 6 offers a discussion of findings in order to summarise the finalised model of place-based partnership termed the Compass of Collaboration that was subject to authentication via the process of peer review and validation. Finally, chapter 7 draws the thesis to its conclusion and considers the implications of the research for academic and policy audiences before summarising future research priorities.

² At the start of the research there were 39 LEPs in England. In August 2016, SEMLEP and NEP merged reducing the total number to 38. NEP were included in the research up until this point but they were removed from the research and are not included in the analysis

Figure 1.1 Structure of the thesis



2 Phase one: exploration of the knowledge-base

‘The Coalition Government is determined to rebalance the economy towards the private sector. We regard Local Enterprise Partnerships as being central to this vision’ (excerpt from the letter from Vince Cable MP and Secretary of State for Business, Innovation and Skills and Eric Pickles MP and Secretary of State for Communities and Local Government inviting the formation of Local Enterprise Partnerships: 29 June 2010).

2.1 Introduction

The creation of Local Enterprise Partnerships by the Coalition government in 2010 adopted a localised approach to policy-making. Thirty-nine place-based partnerships were subsequently formed between the private and public sector across England bringing together local councils and business leaders at a sub-regional level to develop strategies for economic growth. This thesis explores the factors that support the effectiveness of these partnerships and chapter 2 sets the scene via a critical review of three key components of the knowledge-base that underpin the concept of place-based partnership namely: history, trends and governance of economic development, the narrative surrounding the nature of innovation and entrepreneurial ecosystems and the concept of partnership as a form of governance, summarised in Table 2.1.

Table 2.1 Key components of the knowledge-base underpinning the research aim

Research Aim: To explore whether there are common factors that enable (and inhibit) Local Enterprise Partnerships to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area.		
Economic growth and development	Place-based economic ecosystems	Partnership as a form of governance
Defining economic growth and development Evolution of local governance in England	Introduction to productive places: Clusters, innovation systems and entrepreneurial	Typologies of partnerships: <ul style="list-style-type: none">• Process• Co-operation• Component

Place-based versus space-neutral policymaking	ecosystems	<ul style="list-style-type: none"> • Lifecycle
Global trends in governance	Attributes and limitations of effective economic ecosystems	Theory of Collaboration and Collaborative Advantage
Institutions to drive growth: the LEPs and institutional effectiveness	Institutions within the ecosystem	Motivations for and challenges of partnership working

Section 2.2 presents the policy context within which LEPs were created to set out their historical and theoretical foundations. It considers how that model of policymaking has shifted over time from a more centralised approach, to one that has seemingly applied increased levels of decentralisation with increased consideration for place-based policymaking (Hildreth, 2011; Shaw and Robinson, 2012; Shutt, Pugalís and Bentley, 2012; Hildreth and Bailey, 2013). The section considers the drivers for decentralised, place-based policy and concludes with a consideration of the importance of effective institutions within a devolved landscape.

Given this apparent increased focus on the importance of place, Section 2.3 explores the literature related to place-based ecosystems to understand the factors that support their establishment and sustainability. It considers the related concepts of clusters, innovation systems and entrepreneurial ecosystems and seeks to distil the elements that support successful place-based ecosystems. Those places with a stronger enterprise culture, it is argued, often have more established and successful innovation and entrepreneurial systems which results in higher levels of productivity and growth (Mason and Brown, 2010; Huggins and Thompson, 2013; Huggins, Morgan and Williams, 2015). If LEPs are to succeed, there are lessons to be drawn from these entrepreneurial localities in terms of their enabling and inhibiting factors that are of interest to a developing understanding of effective place-based partnerships. Section 2.3 draws on the literature to consider the factors that support effective place-based ecosystems to build a deeper understanding of how LEPs can operate as efficient co-ordination and collaboration structures to drive growth (Moulaert and Hamdouch, 2006).

Place-based policies favour a joined-up, multi-stakeholder approach recognising that no single actor or institution has the skills or resources to address the complex issues of securing economic growth (McQuaid, 2009; Aspen Network, 2013; Feldman, 2014; Isenberg, 2014). Section 2.4 reviews

the knowledge-base around partnership as a form of governance and draws on research across a range of different policy agendas to understand the differing typologies and criteria for effective partnership collaboration. The drivers and inhibitors of partnership working are debated to summarise a common set of variables for place-based partnership working. Section 2.5 draws the chapter to a close and pulls the three bodies of knowledge into a single framework that will unpin this research.

2.2 Contextualising economic growth and development

The terms economic development and economic growth are often used interchangeably but there is a difference between the two that is worth consideration. Of the two concepts, economic growth is more easily quantifiable and can be summarised as an increase in the output of goods and services per head of population. In theorising economic growth, Ricardo *et al.* (1819) and later Solow (1956) cited in Feldman *et al.* (2016) portrayed the economy as a machine that produced output as a function of inputs such as resources and machinery. In contrast, economic development is less easily summarised. It is more closely aligned to the collaborative action of institutions and as such is regarded as a broader, 'fuzzier' concept which has resulted in greater contention and a lack of shared understanding. Feldman *et al.* (2016) argue that whereas growth is linked to the macro economic conditions, economic development is far more concerned with the micro economic functioning of an economy. Relatedly, Fagerberg *et al.* (2014) comment that economic development has associations with the nature of institutions, social capital and skills which suggests that economic development has stronger ties to the local environment and the various organisations that influence entrepreneurship, business creation and skills development. The greater complexity of economic development means the facets that contribute to it are much broader than economic growth.

Schumpeter in his seminal research undertaken in the 1930s into the Theory of Economic Development argued that economic development was the process by which the economy was placed on a path of improved growth (Croitoru, 2012). Schumpeter held the view that economic development was tied to the processes of innovation and entrepreneurship and explored the concept of the business cycle that saw economic growth as a means to move the economy forwards using innovation (King and Levine, 1993; Mathews, 2002; Croitoru, 2012). Schumpeter viewed economic development as a 'fundamental transformation of an economy' that involved the whole institutional fabric (Feldman *et al.*, 2016: p.4). As such it involved the public sector, business and the community in the pursuit of improved standards of social and economic wellbeing. As a

partnership of the private and public sector, the influence of Schumpeter's theory is evident in the creation of LEPs. In the White Paper '*Local Growth Realising Every Place's Potential*' (BIS, 2010) the Coalition government set out their vision for the creation of locally-determined economic development partnerships. Their approach was very much concerned with maximising the micro geographical, historical, environmental and economic conditions of local areas to improve their growth prospects (BIS, 2010). The White Paper positioned LEPs as a deliberate move away from central administration to local priority setting whereby a range of partners from the public and private sector would 'come together to form partnerships whose geography properly reflects the natural economic areas of England' (BIS, 2010: p12).

Given the influence of Schumpeter's work over 80 years earlier on the Coalition Government's policymaking it is worth exploring the shifts in economic models in Britain in greater detail.

2.2.1 Evolution of local governance in England

An exploration of the influence of different economic paradigms and the direction of travel of English economic development policy aids a deeper understanding of the motivation behind the creation of LEPs. Within the literature on economic paradigms in England there is much debate focused on whether the direction of travel has altered much at all over time (Barca and Rodriguez-Pose, 2012; Hildreth and Bailey, 2013; Bentley and Pugalís, 2013). On face value the framework for economic governance seems to alter with each new administration (Hildreth, 2011; Shaw and Robinson, 2012; Ayres and Pearce, 2013; Peck *et al.*, 2013) and the policy rhetoric would suggest that England has seen several paradigm shifts from the top-down Conservatism of the early 1990s to the more 'steering Centralism' of the Labour government (Pratchett, 2004; Bentley and Pugalís, 2013).

Neo-Keynesian theory, popular during the economic slump of post war Britain until the late 1970s, held that markets were not self-regulating but require state intervention. The theory considered supply and demand to be within the control of government agencies and believed that intervention and government spending was essential to kick start economic growth during periods of recession. During this period, local government structures in England remained relatively stable founded on the principles of 1888 Local Government Act. A perceived failure of the Keynesian model was its suppression of the local in that it overlooked the role and value of local knowledge, skills and know-how (Tomaney, 2010, 2014).

Neo-liberalism dominated from the late 1970s to the mid-1990s and adopted a much more 'laissez-

faire' approach to the market with little or no government intervention (Farole *et al.*, 2011). In contrast to neo-Keynesian, the neo-liberal model holds that markets will self-regulate without state intervention due to host of external factors and technological progression. As such, the theory assumes that during recession markets will ultimately clear with resulting growth. This was very much the dominant paradigm of the Thatcher administration where free-market policies including trade liberalisation, competition, deregulation and sweeping privatisation were adopted. The neo-liberal view sees the world as economically flat and argues that convergence between localities will occur over the long term through self-correcting market adjustment (Hildreth and Bailey, 2013).

In terms of governance, the Conservative government under Prime Minister Heath sought to transfer responsibility to the local and in 1972 introduced a two-tier system of counties, including new metropolitan counties and, at lower level districts and boroughs. Further reform in 1992 saw a number of English cities become one level or unitary authorities. Since then, increased and ongoing episodes of decentralisation in Britain has changed the role and function of governance, most significantly through devolution of powers to Scotland and Wales following the referendum in 1997 which resulted in the establishment in 1999 of a Scottish Parliament and a Welsh Assembly and to Northern Ireland following the referendum in 1998. This prompted increased decentralisation across England leaving a complex organisation of local government and governance arrangements across the United Kingdom whereby each country has its own arrangements.

New regional policy evolved in the mid-1990s and continued through the New Labour administration until 2010 under the leadership of Prime Ministers Tony Blair and Gordon Brown. The policy used the nominal English regions as its main administrative blocks whereby growth was considered the result of endogenous (internal) and not exogenous (external, independent) forces. The White Paper *Building Partnerships for Prosperity* (1997) set out Labour's plans that were subsequently formalised through the Regional Development Agencies Act 1998. The creation of nine Regional Government Offices (1994) and 10 Regional Development Agencies (1998) across England brought together the principle regional stakeholders from both public authorities and the business sector (Webb and Collis, 2000). The principal duty on the RDAs was to work with partners to develop a Regional Economic Strategy that translated how national economic policy would play out in each region in relation to economic development, employment, skills and sustainable development. The creation of the RDAs and increased devolution to the Celtic States was accompanied by other bodies such as Urban Regeneration Companies and schemes like Total Place

were designed to intervene at a city region level and make investment in human capital, innovation and knowledge which were considered as essential contributions towards economic growth (Uyarra, 2010; Hildreth, 2011).

Some have questioned whether in reality these paradigm have shifted very far at all and argue that centralism has dominated British policymaking with power concentrated at the national level (Bentley, Bailey and Shutt, 2010; Bentley and Pugalis, 2013; Hildreth and Bailey, 2013). Under this system, the process of policymaking and governance in Britain remains a hierarchic system where Whitehall exercises a dominant role over public spending and policy development (Ayres and Pearce, 2013). Despite the semblance of increased decentralisation, the regions were largely administrative and had little sense of local identity and the power remained firmly in the hands of central government in what has been termed as 'conditional localism' whereby policy remained centrally administered with considerable levels of central inspection and performance regime including Best Value Reviews, Public Service Agreements (Hildreth, 2011).

This period was the peak of regionalism with new proposals for elected regional bodies but shortly after coming into power in 2010 the Coalition government produced the White Paper *Local Growth: Realising Every Place's Potential* which set out their plans to implement a new framework for achieving local growth (BIS, 2010). Their approach (and that of the subsequent Conservative administration) was to introduce a range of seemingly decentralised interventions designed to transfer responsibility to local institutions. Coming into power in 2010 at a time of recession, the Coalition government criticised the RDAs as unwieldy political constructs that were costly and bureaucratic. They promised greater decentralisation and increased localism through the creation of a 'Big Society' where communities were afforded greater power and responsibility and where enterprise and social responsibility played a greater role (Lowndes and Pratchett, 2012).

In seeking to reduce the financial burden of the state, in June 2010 the Coalition announced the removal of the RDAs and the introduction of LEPs. Businesses and local authorities were invited to form a partnership that adopted a geography that better reflected the natural economic geography of the area and 39 LEP proposals were subsequently approved depicted in Figure 2.1

Figure 2.1 Map of Local Enterprise Partnerships in England

Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

Source: The LEP Network website, 2018

The White Paper briefly set out the role of LEPs who were intended to be better placed to address local priorities (James and Guile, 2014). LEPs were heralded as a necessary move to halt the expansion of public sector bureaucracy and plethora of central targets that had been the work of the former Labour administration (Lowndes and Pratchett, 2012). They were in part designed to reflect a move towards bottom-up policymaking whereby local authorities in partnership with local business could define their own economic geography and develop a growth strategy for an area that had a natural geographical fit. The Heseltine review '*No Stone Unturned*' (2012) advocated further decentralisation of decision-making on growth and added pace to the agenda (Ayres and

Pearce, 2013). A raft of changes followed including the creation of the Growing Places Fund, Local Enterprise Zones, multiple rounds of Local Growth Funding, a range of City Deals in the core cities.

The Local Democracy, Economic Development and Construction Act (2009) and the Cities and Local Government Devolution Act (2016) added another tier of local governance in the form of Combined Authorities. The legislation gave local authorities the ability to combine voluntarily with other authorities and pool responsibility and resource whilst being afforded greater freedoms and flexibilities from central government to deliver transport, regeneration and economic development more efficiently and effectively. The rationale behind the creation of Combined Authorities was they enabled councils to collaborate across local authority boundaries and take advantage of powers and resources devolved from central government (LGA, 2017). As of September 2018, nine Combined Authorities exist depicted in Figure 2.2.

Figure 2.2 Map of the Combined Authority areas

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Source: National Audit Office, 2017

The first Mayoral elections (outside London) took place on the 4th May 2017 and Sheffield City Region elected their Mayor in May 2018. The Combined Authorities are expected to grow in importance as sub-national institutions emphasising again the importance of place in economic development policy (Sandford, 2016). The government review of LEPs published in July 2018 (MHCLG, 2018) encouraged LEPs to reform their geographies to follow those of the Mayoral Combined Authorities (MCAs) where they existed and required LEPs to act as the independent business-led scrutiny body of the MCAs' economic policy. This indicated a greater accountability and capacity of metro mayors to devise and implement economic policy in their city region. These shifts in local governance paradigms are summarised by Pike *et al.* (2016) (Table 2.2) as a pendulum of decentralisation in England that has swung between a local and regional scale.

Table 2.2 Evolution of local governance in England

Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

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Source: adapted from Ferreira, *et al.*, 2017

It is striking that the pendulum swings depicted in Table 2.2 have been accompanied by a re-centralisation of power (Pike *et al.*, 2016), be it political, decision-making or in terms of tax generation.

The political rhetoric underpinning government policy that created the LEPs centred on the need to break away from the top-down approach of conditional localism directed by the Labour government (Bentley, Bailey and Shutt, 2010; Hildreth and Bailey, 2014; Bentley, Pugalis and Shutt, 2017). The removal of the nine RDAs that the Coalition government criticised as overly bureaucratic and costly, paved the way for a more flexible, localised form of subnational governance arrangements for economic development. This new approach to governance it was argued would allow business and civic leaders to adopt a form and function that truly reflected the natural economic geography of the areas they served (BIS, 2010, p.12). However, in reality despite the political rhetoric of increased freedom and flexibility the introduction of LEPs was accompanied by a lack of funding or guidance from the centre to enable local leaders to exercise that freedom and power to respond to local needs and priorities (Bentley, Pugalis and Shutt, 2017).

The bounding of the LEPs reinforced the complexity of the concept of natural economic geography.

The 39 LEP proposals that were endorsed by central government included multiple overlaps whereby numerous local authorities featured in more than one LEP. The government raised a concern over the issue of overlapping boundaries in the LEP review and asked LEPs to revisit their geography and decided upon 'real functional economic areas (that) remove overlaps and, where appropriate, propose wider changes such as mergers' (MHCL, 2018, p.7). The government's continued use of the term 'real' or 'natural' to describe economic geography over simplifies the notion of economic geography and suggests that there are a series of neatly bound functional spatial areas yet to be discovered (Harrison, 2011). Determining the most efficient spatial scale to support productive decision-making and delivery is far from clear cut and it would be appropriate to acknowledge that businesses and communities exist and function across more complex, multiple economic geographies but for administration and governance purposes these complex areas become shaped and defined by politics. As such, the development of the LEPs represented yet another iteration of centrally-orchestrated localism designed to facilitate central government policy intentions rather than secure a genuine attempt to deliver autonomous local action on economic development (Jones and Ward, 2002; Harrison, 2011; Quinn, 2013).

Under the decentralisation to LEPs and devolution to Combined Authorities these new spatial institutions remain reliant on central government to apportion funding for economic development and so it is argued that despite the semblance of decentralisation, the UK remains one of the most centralised countries in the world (Lee, 2000; Bentley, Bailey and Shutt, 2010).

This reveals a tension between the two schools of thought: localism that places weight on place-based policymaking with a bottom-up approach and the top-down policymaking of centralism that is place-neutral (Barca and Rodriguez-Pose, 2012; Turok 2013; Hildreth and Bailey, 2014, Bentley *et al.* 2017). Section 2.2.2 explores these two approaches in more detail.

2.2.2 Place-based versus place-neutral policymaking

Hildreth and Bailey (2014) offer a useful analogy of a river system to explain the thinking behind place-neutral and place-based policy. The place-neutral paradigm views the economy as a smooth free-flowing river system which fits with the UK style of centralised policymaking. Advocates of the approach argue that agglomeration encourages people mobility whereby individuals can choose to relocate or commute to localities where they are likely to be better paid and better off and as such supporters of the place-neutral paradigm argue that the approach boosts levels of income, productivity, knowledge and growth (World Bank, 2009).

The World Bank's World Development Report *Reshaping Economic Geography* (2009) favours the case for place-neutral policymaking and advocates for socio-economic interventions that adopt a 'spatially blind' stance that is focused on people and not places. Economic development models based on spatially blind or place-neutral strategies are designed without explicit consideration to space. They are considered within the World Bank reports to be the best way to secure equal opportunities in that they are able to improve the lives of everyone regardless of where they live or work.

Critics of the approach see a number of tensions within the policy. They argue that overlooking local knowledge and difference will ultimately result in large geographical disparities and inequalities in the economic development of a country (Hildreth and Bailey, 2014). This level of economic agglomeration and regional polarisation argued Barca and Rodriguez-Pose (2012) increases economic marginalisation of many peripheral regions and ignores integrated, bottom-up approaches. Others argue that an over focus on a top-down, 'one-size-fits-all' approach fails to accommodate heterogeneous economies and critics have concluded that this will eventually result in unbalanced policies, that are ultimately incapable of delivering sustainable development (Hildreth and Bailey, 2013; Turok, 2013; Bentley and Pugalís, 2014).

The place-based approach makes the case that a locality's sense of identity is determined by a range of factors linked to its geography, history, culture and institutional fabric. In combination, these influences create a high degree of diversity between areas. Place-based policy has a long history with its roots in the work of the Organisation for Economic Co-operation and Development (OECD) and in particular the influential reports by Barca (Barca, 2009; OECD, 2009a, 2009b; Barca and Rodriguez-Pose, 2012). Using Hildreth and Bailey's river analogy, the place-based paradigm is likened to 'a river system with large boulders and rapids that cause many disruptions to the natural flow of the market system' (2014: pp. 365). Hildreth and Bailey (2014) argue that like a turbulent river, characteristics of place such as its history, culture and institutions can create unpredictability and disparity between the economic performance of localities. As such, the place-based paradigm sees the economic landscape as 'spiky' whereby markets are not viewed as fundamentally flat but uneven with economic geographic peaks and troughs according to the relative prosperity or deprivation of localities. This can help to explain the spikes or peaks resulting from the agglomeration of economic activity that has occurred around London and the South East and similarly explain how areas of high deprivation suffer troughs of long-term decline.

The place-based paradigm sees the economic landscape as 'spiky' whereby markets are not viewed

as fundamentally flat but uneven with economic geographic peaks and troughs according to the relative prosperity or deprivation of the locality. This explains the agglomeration of economic activity that has occurred around London and the South East that could be viewed as and can similarly explain how areas of high deprivation suffer long-term decline.

There is an established body of literature from the 1990s onwards that evidences how spatial planning favours city regions not just from the UK but from Europe and the USA (Wheeler, 2002; Albrechts, 2004; Healey, 2009; Allmendinger, Haughton and Shepherd, 2016). As decentralisation has progressed in the UK (and beyond) the spatial focus has been mainly on cities and their surrounding geography which draw on the theory that economic activity clusters around areas of urbanisation rather than following artificially drawn boundaries as the RDAs did (Cooke and Clifton, 2005; Pike *et al.*, 2016). Research into devolution in the UK highlights the view that sub-national spaces are being encouraged to follow a more natural or 'real' geography that encompass distinctive economic, social, political and environmental identities (Hincks, Deas and Haughton, 2017). This was certainly the tone of the limited guidance offered to local leaders at the time of the LEPs creation (BIS, 2010) and the moves towards decentralisation in the UK continue to draw on agglomeration theories that favour the role of cities (Haughton *et al.*, 2016) evident in the areas that have secured Mayoral Combined Authorities.

Place-based approaches put value on the identity of a given geographical territory. Cooke and Morgan (2000) regard these territories as possessing significant administrative, cultural, political, or economic power and cohesiveness that differentiate them from the state and from other regions. Paasi (2009) similarly argues that the connect is more than purely geographic but requires a collective sense of loyalty or attachment from resident and business communities if these areas are to succeed. This notion is strongly connected to the literature on the importance of characteristics of place and territories that are somehow more real in their identity than those that adopt purely administrative functions (Massey, 1991; Barca, 2009; Tomaney, 2010; Hildreth and Bailey, 2014). The literature exploring the evolution and establishment of the LEPs has only touched lightly on the importance of local context in shaping the success of these place-based partnerships (Bentley, Bailey and Shutt, 2010; Shutt, Pugalis and Bentley, 2012; Pugalis and Townsend, 2013; Hildreth and Bailey, 2014), and there have been calls for further conceptual and empirical enquiry into these sub-national partnerships (Bentley, Pugalis and Shutt, 2017). This thesis seeks to provide some empirical depth to our understanding of the LEPs at a point when they have become established as sub-regional tier of governance and will consider how place and local context might

be one of the factors that inhibit or enhance performance.

The increase in policy and academic attention that has been placed on the need to root economic development activity in local areas in part seeks to address the tension that has long existed in England between central and local government in relation to economic development policy. England has struggled to fill the 'missing space' between central and local government and previous iterations have been criticised for being purely administrative and lacking in identity (James and Guile, 2014; Sotarauta and Beer, 2017; Pike et al., 2018).

This tier of intermediate governance appears to exist more naturally in other countries and in several European States including Switzerland, Austria, Germany, Belgium, regionalism is an entrenched constitutional principle. Although a limited number of policy areas are dealt with centrally, federal states retain authority and autonomy for the governance of many other areas including economic development (Storper, 1995; Barca, 2009). A consideration of factors that support these locally, place-based institutions in other countries might aid the success of the LEPs as they evolve as the intermediate tier of economic governance and Section 2.2.3 turns to review the nature of governance and decentralisation beyond the UK.

2.2.3 Understanding trends in governance beyond the UK

Moves towards decentralisation of governance are not unique to the UK but are an international phenomenon encouraged in part by broader processes of globalisation. Whilst there is no single definition, the concept of globalisation captures the process through which the world has become increasingly interconnected in terms of its economics, politics, society, culture and environment. With its origins dating back to the colonialism of the 1600s the concept is not new but modern globalisation accelerated significantly from the 1980s onwards with the development and growth in information and communication technology (ICT) which removed distance and time. The work of Dicken (2003, 2015) pointed to a 'global shift' that emerged at this time as a result of three constituent processes of globalisation; firstly the dominance of liberalisation policies, secondly the rapid uptake of ICT and the onset of global competition. Barca and Rodriguez-Pose (2012) observe that the increases in devolution in Britain mirrors an increase in globalisation. Rodriguez-Pose (2013) makes the point that the increase in globalisation has made localism and in particular the interaction between localities, increasingly important for economic growth and prosperity. Barca and Rodriguez-Pose (2012) argue that the local sense of place is of fundamental importance to the economic prosperity of the national and by discounting the value and influence of the local can

hamper progress and growth. The moves away from a centralised approach towards a greater emphasis on local areas in Britain is in part the result of global changes that Barca and Rodríguez-Pose argue are essential to economic growth and prosperity. Each locality they state has '*unique aspects and the ability to create and strengthen a comparative advantage*' (Barca and Rodríguez-Pose, 2012: p.136).

There are broadly speaking two patterns of state governance globally; unitary and federal states. Federations are commonly created via bottom-up processes whereby a number of states form an agreement to collaborate more closely on key issues. Under the federal system, governance is shared, and the component states have key legislative powers not exercised by central government often with the exception of foreign policy which is retained at the national level. Examples of federal states include:

- Australia comprising six states
- India comprising 29 states
- United States of America comprising 50 states
- Switzerland comprising 26 cantons
- Germany comprising 16 Lander or Bundeslander

The majority of states in the world have a unitary or centralised form of governance whereby power is retained by a single national tier of government. Of the 192 United Nations member states, 165 are governed in this way which includes those with a monarchy like the United Kingdom, Spain, Sweden, Japan and Republics like China, France, Italy, South Africa. Unitary states may include one or more self-governing units that are created through a process of devolution as is the case in the UK.

The global trend of devolution has featured prominently in academic and policy debate which has sought to understand the drivers and types of decentralisation that occur in different countries (Amin, 2004; Rodríguez-Pose and Gill, 2005). Given the moves towards decentralisation in England, an exploration of the wider picture is of interest and the following sections expand on the motivations behind moves towards decentralisation, providing country examples for illustration.

2.2.3.1 Politically motivated decentralisation

Moves towards devolved power internationally is often politically motivated. The new Member States in the EU often known for their traditions of bureaucratic centralism, have had to reform

their unified territorial administration in order to comply with the European Union's requirements for further integration, Examples include the devolution of powers for spatial planning to municipalities in Macedonia and Montenegro. Macedonia has moved from an established, ingrained system of local government organised around 34 administrative districts, communes, or counties to one of 8 regions that exist solely for legal and statistical purposes motivated by a political desire for further European integration (Council of European Municipalities and Regions, 2013). In Turkey, steps towards decentralisation since 2004 have proven highly controversial. Turkey has a unitary structure where local administrations have little power. Within this framework, Turkey is subdivided into 81 provinces and then 923 districts purely for administrative purposes whereby the provinces are subordinate to the central government. Steps have been made towards decentralisation since 2004 that continue to be controversial. The subdivision into 7 regions and 21 sub-regions exist for geographic, demographic and economic purposes; and not an administrative division and have largely been driven by the requirements of the European Charter of Local Self-Government. Other reforms that stem from a political basis can be seen in the reaction to the global financial crisis and include the strengthened systems of local governance that were prioritised in Iceland and reforms in Belgium that marked a new stage in Belgian federalism. The agreement, reached in October 2011, increased the fiscal independence of the country's three regions and transferred responsibilities from the federal to regional level for key policy areas including health, employment and justice. The announcement of devolution to the English regions following Scottish Referendum in 2014 by the Conservative government can also be regarded as a political move to appease the English regions.

2.2.3.2 Administrative simplification

Decentralisation offers the state an opportunity to simplify administrative structures with the aim of achieving greater efficiencies. Often these simplification plans yield cost reductions either as a result of achieving greater economies of scale or in the form of reduced state funds allocated with the devolved responsibilities. The reduction in central allocation of funds for the RDAs that were regarded as costly and bureaucratic was one of the motivating factors behind the Coalition's moves to replace RDAs with LEPs (Bentley, Bailey and Shutt, 2010; Ayres and Pearce, 2013). The economies of scale motivation has played out across Europe as member states with a large number of municipalities have encouraged mergers as a means to reduce their number. Denmark, for example, implemented a policy in 2007 involving mergers of municipalities as a means to simplify their administration. Denmark is now divided into five administrative regions created to replace the

sixteen former counties and at the same time, smaller municipalities were merged into larger units, reducing the number from 270 to 98. Luxembourg and Switzerland have pursued similar proposals of mergers to reduce the number of municipalities and to encourage the process political or financial incentives have been offered (Council of European Municipalities and Regions, 2013).

Germany has a more established, embedded system of decentralisation under federalism whereby the central government, 16 federal states, and the lower tier municipalities have different tasks, their own constitution and are largely autonomous. Even with this established system there have been attempts by federal government to reduce and merge lower tiers of administration (Rodríguez-Pose and Gill, 2003). At times the simplification seeks to align existing municipalities to nominal territories in order to comply with the standardised unit for territorial statistics known as the NUTS (Nomenclature of Territorial Units for Statistics). This process took place in Romania where eight statistical regions were transformed into regional authorities, transferring centralised responsibilities previously carried out by the central state including the management of European funds. These tiers have been criticised as artificial constructs that lack an established identity and are used solely for co-ordinating regional development projects and for statistical purposes (Council of European Municipalities and Regions, 2013). Similar criticism were levelled at the RDAs in England who were viewed as remote and costly administrative constructs and the LEPs were created in part to address the missing sense of local identity (Cochrane, Colenutt and Field, 2013; Bentley, Pugalís and Shutt, 2017; Lee, 2017).

2.2.3.3 Economic efficiency and growth

Decentralisation is often regarded as a means to increase the efficiency of public services (Tomaney *et al.*, 2011) and there has been growing interest in the contribution these tiers of decentralised governance might offer to solving co-ordination problems in and across a wide range of specialised social systems including economic, legal, political, and health agendas (Jessop, 2003). The literature on fiscal decentralisation argues that decentralised governments have greater capacity and flexibility to tailor policies to local circumstances and be innovative in the provision of policies and public services which in turn offers greater likelihood for economic efficiency and growth. The policy rhetoric for decentralisation in England voiced at the introduction of LEPs highlighted the ability for local partnerships to rebalance the economy and flatten out pockets of under development (Pike *et al.* 2013). However, rather than yielding cost efficiencies there is also evidence of a hollowing out of the state whereby responsibility is devolved without the funds from central government. The Netherlands for example saw its 388 municipalities given greater power

over health and social issues but without the transfer of the financial means necessary to properly fulfil these new tasks (Council of European Municipalities and Regions, 2013). As such the local and regional authorities have been forced to reduce the numbers of staff – a practice adopted in other European countries including Spain, the Czech Republic, Portugal and the UK following a reorganisations of services (Rodríguez-Pose and Gill, 2003; Council of European Municipalities and Regions, 2013). The creation of LEPs in the UK did not come with any new money and LEPs had to self-fund for the first few years of their existence. Here decentralisation under the pretence of efficiency is more symptomatic of the state's withdrawal during times of significant budgetary restrictions.

2.2.3.4 Recentralisation in disguise

Some observers of policy under the Coalition government (2010-2014) argue that the abolition of the RDAs, their replacement with LEPs and the seeming increase in decentralisation is simply empty rhetoric whereby apparent moves to transfer power to the local conceals the recentralisation of functions back to Whitehall including industrial policy and inward investment (Bentley *et al.* 2010, Hildreth and Bailey 2013, Shutt *et al.* 2012). The review of LEPs published by government in July 2018 went further and reversed the initial freedom for LEPs to set themselves up how they saw fit placing a number of requirements for the organisation of LEPs including the size of their boards and the term limitation for chairs. If LEPs failed to comply to these new conditions, Government threatened to cut their funding (MHCLG, 2018). Despite apparent moves towards localism since 2010, with a greater emphasis on place-based policymaking, the reality is that the Westminster Model has proved resilient and central government remains ultimately responsible for policy (Ayres and Pearce, 2013).

In both Ireland and Hungary, the process of administrative simplification has meant that water distribution is now managed by a governmental agency, and in Moldova, measures have been taken to transfer all competences linked to education back to the central state (Council of European Municipalities and Regions, 2013). The argument for recentralisation is often cost related but the Council of European Municipalities and Regions report (2103) warns that there is no guarantee that cost reductions will be achieved by recentralisation and argue that this process has hazardous consequences for local self-government when the new regulations are imposed without any prior consultation which can result in weakened the ties between the citizens and local authorities.

2.2.3.5 Metropolisation

The favouring of larger administrative geographies sits alongside an established body of literature from the 1990s onwards that evidences how planning and policymaking has favoured city regions not just from the UK but from Europe and the USA (Wheeler, 2002; Albrechts, 2004; Salet and Thornley, 2007; Healey, 2009; Allmendinger, Haughton and Shepherd, 2016). The notion of decentralised spaces formed around large urbanised areas has been referred to as 'metropolisation' (Council of European Municipalities and Regions, 2013). The creation of the Combined Authorities in England adopts a similar model and development can be observed in other European countries. In Italy, the development of the metropolitan city (*città metropolitana*) has been met with mixed views. In France, a political agreement between local political parties has resulted in the establishment of a metropolitan area (*métropole*) in Greater Lyon that will take up responsibilities exercised previously by the *département* on its territory. Proposals on metropolisation are underway in Turkey, Poland and the Netherlands, following the debate that capital cities and large urban areas benefit from a territorial structure and increased status (Council of European Municipalities and Regions, 2013). In North America and Australia too, the making and remaking of new regional spaces continues apace, most noticeably involving planning for metropolitan regions (Hincks *et al.* 2017).

Tomaney *et al.* (2011) offer a useful summary of the arguments for and against decentralisation summarised in Table 2.3.

Table 2.3 Arguments for and against decentralisation

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Source: Tomaney *et al.* 2011

The arguments for decentralisation set out in this discussion and summarised in Table 2.3 were prevalent in the debate that accompanied the apparent move towards localism signified by the creation of the LEPs which was promoted as a mechanism to deliver a host of varied outcomes including:

- promoting public sector reform to improve administrative efficiency (Clarke and Cochrane, 2013)
- a spatial rebalancing of the economy (Peck *et al.* 2013; Martin and Sunley, 2015)
- improving political accountability and local democracy by transferring responsibility for local plans to local leaders (Hildreth, 2011; Lowndes and Pratchett, 2012)
- addressing societal challenges (Doyle, 2013; Pugalís and Bentley, 2013a)
- promoting economic growth (Shaw and Robinson, 2012; Pugalís and Townsend, 2013)
- contributing to deficit reduction by reducing central government's contribution to regional development (Bentley and Pugalís, 2013; Pike *et al.* 2016)

Localism emphasises bottom-up, locally designed and owned strategies aimed at promoting growth potential in all local economies (BIS, 2010). The reality that has played out since their creation also reveals evidence of the arguments against decentralisation particularly with regard to prioritising urban areas and increasing social inequalities between areas (Harvey, 2008; Bentley and Pugalís, 2014). As such the move towards decentralisation to the LEPs appears to have brought some wider benefits that have not been without costs. A topic for further investigation in empirical study.

2.2.4 Institutions to drive growth: understanding the LEPs

Tomaney (2010) argues that the success of a decentralised, place-based approach is dependent on local mechanisms and whether they can successfully identify and utilise the assets in the local area as the basis of a local growth strategy. This approach, if managed effectively, can overcome the spiky economic picture that leads to agglomeration around core cities and enable areas that comprise smaller cities, towns and rural areas to achieve improved economic growth and productivity in activities they are best-suited. In their letter inviting proposals for LEPs (June 2010) Vince Cable MP and Secretary of State for Business, Innovation and Skills and Eric Pickles MP and Secretary of State for Communities and Local Government offered little in the way of guidance to local councils and business leaders. The White Paper (BIS, 2010) published some months later went

further and a few parameters for LEPs were suggested and those submitting proposals for a LEP were asked to:

- consider size and scale and adopt a natural economic geography
- combine local groups of councils and private sector business leaders, alongside other key stakeholders with equal representation from public and private sector
- ensure strategic leadership was in place to set out local economic priorities with the chair ideally a prominent business leader or elected mayor
- provide a clear vision to tackle issues such as planning, housing, transport and infrastructure, enterprise and employment that would rebalance economy towards the private sector
- put in place robust governance structures

The White Paper set a vision for LEPs to be rooted in a natural economic geography, led by local business leaders in partnership with public sector and other partners; it was hoped that these new private-sector led institutions could use their local knowledge and networks to maximise the growth potential of each locality.

Government confidence that the private sector had the ability to lead the economic recovery was clearly evident in the White Paper that set out the expectation that business representatives would form half of the LEP board and take the role of chair (BIS, 2010, p.14). The policy reflects free-market approaches that favour giving a larger role to private enterprise and the private sector represents a key stakeholder in economic development as a contributor to national income, job creator and employer. Business-led initiatives have the potential to kick-start development, increase productivity and generate better quality jobs and public-private partnerships (PPP) where the private sector delivers service on behalf of the public sector have become an established mode of delivery since the 1990s (Bovaird, 2004).

The principle of public-private partnership was central to the development of both the RDAs and the LEPs but there was little or no evidence within the White Paper of the extent to which the private sector should be the key driver of LEPs, and limited debate since as to whether the costs and benefits of a partnership approach outweigh an approach under greater public sector control. The benefits or otherwise of an increased role for the private sector in the economy have driven an important and continuing debate and challenges over accountability and transparency exist with the approach that puts the private sector in control of public finances (Pike *et al.*, 2013; Hildreth and

Bailey, 2014).

Since their creation LEPs have matured and the amount of public funding flowing through them has increased. Lord Heseltine was commissioned to report on ideas to stimulate growth at a local level and '*No Stone Unturned: In Pursuit of Growth*', made 89 recommendations for which included greater devolution of funding from central government to LEPs (Heseltine, 2012). The government responded in the form of Local Growth Funds to which they allocated £12 billion for the period 2015-16 to 2020-21, in addition to the Growing Places Fund, City Deals and the £250,000 of central funding allocated per year to each LEP support the development and delivery strategic plans.

The increase in responsibility and accompanying funds led to calls for greater transparency and clarity in the way LEPs were evaluated to ensure adequate levels of accountability and scrutiny were in place (Crowe, 2011; NAO, 2016a). The sands shifted again after the Heseltine Review with the development of Combined Authorities and super-regional partnerships like the Northern Power House and Midlands Engine and a ministerial review of LEPs has followed (MHCLG, 2018) setting out Government's expectations of the LEP's roles and responsibilities. The review provided some clarity but if LEPs are to succeed in their pursuit of economic growth a more detailed understanding of the factors that facilitate their effectiveness is required.

Whilst a one-size-fits-all approach to place-based partnerships would be unsuitable, Pike *et al.* (2016) argue that government's approach to decentralisation has been applied too inconsistently with limited guidance and sharing of practice. There has been much published policy and academic research on the LEPs but this has tended to focus on their set up and early stages of development (Bentley, Bailey and Shutt, 2010; Shaw and Greenhalgh, 2010; Shutt, Pugalis and Bentley, 2012; Hildreth and Bailey, 2013). Some of the authors rightly recognise that their work was constrained by 'known unknowns' and 'unknown unknowns' (Ward 2010 cited in Bentley *et al.* 2010: p. 538). Nevertheless, they sought to predict how LEPs would perform at a time when knowledge and guidance were in short supply. As such, they predicted a 'combative and conflictual' relationship between the centre and the local (Bentley *et al.* 2010: p. 537) and argued that LEPs would not have the freedom to create change and reflect local identity (Pratchett, 2004).

Later research sought to temper the predictions of earlier commentary that had taken a somewhat gloomy view (Bentley, Bailey and Shutt, 2010) and those writing after the Heseltine Review were able to offer valuable balance (Pugalis and Bentley, 2013c; Pike *et al.*, 2015). That said, the focus of much of the research is based on the creation of LEPs and how they affect the shifting paradigms

and models of economic development (Jones, 2010; Hildreth, 2011; Shutt, Pugalís and Bentley, 2012; Bentley and Pugalís, 2013, 2014; Clarke and Cochrane, 2013; Hildreth and Bailey, 2013; Pugalís and Bentley, 2013a) or a consideration of the political motivations behind the move to localism (Ayres and Pearce, 2013; Martin *et al.*, 2016). Some studies have sought to review the progress of individual LEPs but these have again tended to be conducted in the early years of establishment and given their role has increased considerably since, these studies have become outdated (Cochrane, Colenutt and Field, 2013; Peck *et al.*, 2013). Research has also explored specific aspects of LEP activity, including their involvement with small businesses (CLES/FSB, 2014), their levels of economic resilience (Cox, Broadbridge and Raikes, 2014), and their contribution to manufacturing productivity (Harris and Moffat, 2013). Other research has focused on particular aspects of the LEPs and studies related to governance and leadership in particular offer valuable starting points for this research (Deas, Hincks and Headlam, 2012; Lowndes and Pratchett, 2012; Ayres, 2014; Bentley, Pugalís and Shutt, 2017).

The political and economic landscape in which the LEPs exist has shifted since their creation and continues to evolve with the establishment of Combined Authorities. An extensive review carried out by Pike *et al.* (2013) and their subsequent analysis of institutional development in England (Pike *et al.*, 2015) highlighted the diversity between LEPs. The authors conclude that not only has the initial diversity of geographic prosperity remained, the LEPs' role as vehicles to drive local economic development is being 'compromised by a fragmented and shifting landscape of economic development governance and the absence of a longer term vision and plan for their evolution' (Pike *et al.*, 2015: p.17).

The LEPs have come under increased levels of scrutiny. Following a report by the Public Affairs Committee in July 2016 the government asked Mary Ney to conduct a review into LEP governance and transparency. The aim of the review was to provide sufficient assurance that LEPs fully implement existing requirements for appropriate governance and transparency (DCLG, 2017). A ministerial review of LEPs followed (MHCLG, 2018) that provided limited clarity and the lack of a central plan or guidance to steer their evolution coupled with limited opportunities for the sharing of information and practice could hamper their ability to progress. Debate and further research in this area has been encouraged (Peck *et al.*, 2013; Bentley and Pugalís, 2014; Hildreth and Bailey, 2014; Bentley, Pugalís and Shutt, 2017) and this research addresses the gap in knowledge and explores the LEPs at a stage of established development to understand the factors that help and hinder these partnerships in their ability to deliver a place-based plan for growth. By exploring the

LEPs through empirical research this thesis will analyse the factors that drive and inhibit their ability to function as effective institutions adding greater depth to some of the earlier observations cited above.

This section now turns to consider the concept of the institution and the influence of institutional systems in the context of economic development. The role of institutions in economic development has been a subject of debate for almost a century and the Theory of Institutional Economics was born out of the need to understand how institutions shape economic behaviour (North, 1990; Hodgson, 2004). The institutional view holds that economic co-ordination is supported by a wide range of economic and social institutions and that the economic profile and development of an area is fundamentally tied to the effectiveness of its institutional fabric (Morgan, 1997; Farole *et al.*, 2011; Pike *et al.*, 2013; Tomaney, 2014). As such in areas with a strong institutional fabric, economic prosperity follows and conversely institutional weakness has the potential to create 'under development traps' that inhibit the growth potential of a local area (Hildreth and Bailey, 2013: p. 241). Hodgson (2006) summarises that all economic difficulties are the result of institutional and structural problems. He saw the actions and influence of institutions as a powerful force that impacted not only on economic growth but also on the ideology, culture, purpose and goals of society. Engerman and Sokolokoff (2005) agreed that it was difficult to conceive of any process of economic growth in which institutions did not matter and Barca and Rodriguez-Pose (2012: p.137) regard institutions as 'the filter through which economic activity takes hold of different territories'.

This research is concerned with the collaboration between a range of existing organisations (across both public and private sector) to form a new institution via the creation of a LEP. A distinction must be drawn between formal and informal institutions in the context of this research which is primarily concerned with the informal. Formal institutions represent structures of codified and explicit rules and standards (North, 1990) whereas informal institutions are lasting systems of shared meaning and understanding that, while not documented into rules and codes, reflect a socially constructed reality that shapes collaboration and co-ordination amongst individuals in society (Scott, 2005). Feldman linked institutional effectiveness to the 'norms of openness, tolerance for risk, appreciation for diversity and confidence in the realisation of mutual gain (2014:18). Effective institutions and a culture supportive of entrepreneurship make it possible for economic actors to take advantage of perceived opportunities (Huggins and Williams, 2011; Feldman, 2014).

The recurrent patterns of behaviour or 'institutional norms' such as trust and co-operation form

'untraded interdependencies' (Storper 1995, 1997) which affect the behaviour of the actors and can have a positive effect on the innovative capacity of the local economies that possess what Amin and Thrift (1995) describe as 'institutional thickness' which occurs where these 'untraded interdependencies' are thoroughly 'embedded in networks of interpersonal relations' (1995: p.366). Amin and Thrift (1995) argued that thickness helped to establish legitimacy, nourish trust, stimulate entrepreneurship and consolidate the embeddedness of organisations. This offers some insight into how institutions need to collaborate and work to an agreed script so that collective decision-making is possible and rogue behaviour can be controlled.

The importance of institutions in creating spatially effective systems at the local level is of great interest to this research. Does evidence of institutional thickness aid the set up and development of LEPs? Has institutional thickness and the embeddedness of the organisations that form the LEP stimulated enterprise and growth in a local area? Pugalís and Bentley's (2013) research into the creation and set up of LEPs implied that this was the case as they observed that the partnerships that had achieved early success and moved more quickly through the phases of partnership development were those that had the benefit of a network of pre-existing effective institutions to govern local economic geography – what Geddes *et al.* (2007) refer to as a virtuous circle. This research explores the factors that support LEP effectiveness as the institution set up to deliver economic growth and these questions will be considered in greater detail in chapter 5 (findings) and chapter 6 (discussion).

The empirical research will explore different typologies of LEPs to consider whether an existing local fabric of institutional effectiveness enables them to progress further and faster than those that may have been held back by institutional weaknesses. Institutional Theory offers a valuable lens to aid our understanding of these apparent strengths and weaknesses. In their seminal work '*The Iron Cage revisited*' DiMaggio and Powell (1983) present the concept of institutional isomorphism. They highlight the tendency of institutions to converge and resemble one another because of constraints or uncertainty imposed by the state resulting in homogeneity of structure (institutional isomorphism). Some of the academic research concerning LEPs has demonstrated the ongoing influence of central government and levelled criticism at the state for hampering attempts to move to a genuine system of localism (Bentley, Bailey and Shutt, 2010; Hildreth, 2011; Pugalís and Bentley, 2013c; Bentley, Pugalís and Shutt, 2017) that enables LEP to be truly transformative (DiMaggio and Powell, 1983; Skelcher and Sullivan, 2008). The empirical research presented in chapters 5 and 6 draws on Institutional Theory (DiMaggio and Powell, 1983; Scott, 2005; Amenta

and Ramsey, 2010) to understand whether LEPs have been able to be transformative or whether they are being hampered by the central influence of government which results in a default to the familiar processes or structures of their constituent partners.

Within a healthy ecosystem, policy makers must understand, value and embrace the local influences and as such the institutions and actors within a particular locality have considerable influence on the health of ecosystem. Barca and Rodriguez-Pose (2012) explain that places that suffer from under-development have limited growth potential and the cycle of social exclusion continues. They argue that under-developed areas are often hampered by the ineffectiveness and failures of the local institutions that they refer to as the 'local elites'. They view the purpose of economic development policy as a means to address areas of deprivation and under-development and argue for interaction between policy makers and a host of other local partners (Barca and Rodriguez-Pose, 2012: p. 139). This view can be seen as the articulation of the thinking behind the creation of LEPs – a partnership of local organisations and business brought about through the influence of the central policy makers with the aim of addressing spiky patterns of economic growth.

Hildreth and Bailey recognise the impact of institutional weaknesses at both the national and the local level which can act as barriers to the successful realisation of the potential of different places (Hildreth and Bailey 2014: p.371). Tomaney (2010) notes the role strong local policy institutions play in the creation of prosperous communities. By mobilising the potential of the local resources and facilitating innovation, effective institutions that work collaboratively with a wide range of local partners are considered the key to realising the growth potential of each locality. Tomaney (2014) considers the challenge to be the creation of institutions that strengthen the 'voice' of the local in dealing with other localities, regions and countries and those that foster linkages among the private, public and education sectors. The creation of LEPs offered the potential of a mechanism and infrastructure to build and nurture these relationships and facilitate a dialogue between the key stakeholders in order to mobilise and integrate them into the development process. Institutional competency and an effective, flexible and supportive framework clearly matters to success of economic development and growth (Farole *et al.*, 2011; Bentley and Pugalis, 2014; Tomaney, 2014). Whether the LEPs have fulfilled this role remains to be seen. There remains limited research into their development beyond their set up and as such the availability of information on how they operate including examples of good practice is scarce (Bentley, Bailey and Shutt, 2010; Shutt, Pugalis and Bentley, 2012; Pike *et al.*, 2013). This research will consider whether the LEPs

have filled the missing space to move British economic policy away from its centralised governance framework that fails to take account of local difference (Hildreth and Bailey, 2013; Barca and Rodriguez-Pose, 2012).

2.2.5 Section summary

The creation of LEPs by the Coalition government in 2010 adopted a decentralised approach to economic development that was concerned with maximising the micro geographical, historical, environmental and economic conditions of local areas to improve their growth prospects. The policy rhetoric of the time indicated a move away from the heavily centralised systems of policymaking that was associated with the UK's governance system to one that seemingly applied an increased level of decentralisation and consideration for place (Shutt *et al.* 2012, Shaw and Robinson 2012, Hildreth and Bailey 2013).

An exploration of governance in other countries highlights two points. Firstly, that other European countries have more established and durable systems of sub-national governance than the UK, and secondly that decentralisation has gathered pace since the onset of modern globalisation motivated by a range of factors. Decentralisation in England was promoted as a mechanism to deliver outcomes as varied as spatial rebalancing of the English economy; delivering political advantages; promoting public sector reform; improving political accountability; addressing societal challenges; promoting economic growth; or contributing to deficit reduction. But there were criticisms that the move was little more than rhetoric and the path to a devolved system of governance has been difficult to achieve, evidenced in the UK context by the long line of 'institutional corpses' that have preceded the LEPs (Pugalis and Bentley, 2013c; Pugalis and Townsend, 2013; Bentley and Pugalis, 2014).

The English landscape of devolution has continued to evolve beyond the LEPs and the establishment of nine Combined Authorities with others under negotiation makes for a complex economic landscape. Pike *et al.* (2016) highlight that the aims, purposes and goals behind decentralisation have multiplied to the point that it became unclear exactly what decentralisation was seeking to achieve. While some of these objectives may be complementary, there are questions about what exactly might be achieved by decentralising under this level of disruption and discontinuity that will make it hard to achieve long-term strategic planning, development and governance by central national and local actors (Pike *et al.* 2016).

There has been policy and academic research conducted into LEPs but this has tended to focus on

their early years and despite increased calls for transparency, there remains a lack of understanding as to the factors that support and inhibit these place-based partnerships. This is further exacerbated by the lack of clarity and direction from central government as to their vision for the LEPs. As such further debate and research in this area has been encouraged (Peck *et al.* 2013, Hildreth and Bailey, 2013; Bentley *et al.* 2017).

The literature on place-based policy stresses the importance of effective institutions within a devolved landscape. Following on from the notion that economic development requires institutional effectiveness that is rooted in a sense of place, this chapter turns in Section 2.3 to explore the concept of place-based innovation and entrepreneurial ecosystems to identify the importance of their local constituent elements for successful growth.

2.3 Contextualising economic ecosystems

We wish to enable partnerships to better reflect the natural economic geography of the areas they serve and hence to cover real functional economic and travel to work areas (excerpt from the letter from Vince Cable MP and Secretary of State for Business, Innovation and Skills and Eric Pickles MP and Secretary of State for Communities and Local Government inviting the formation of Local Enterprise Partnerships: 29 June 2010)

Section 2.2's review of economic development policy highlighted an increased focus on the importance of place in the pursuit of growth. It has been recognised that some localities are more enterprising than others and those areas appear better equipped to nurture entrepreneurship and support growth (Moore, 1996, 2006). This results in an increase in job creation and increased levels of innovation and productivity (Mason and Brown, 2013; Huggins *et al.* 2015). One of the reasons cited for the creation of LEPs was to achieve a re-balancing of the economy. By enabling local leaders to come together across a spatial territory of their choosing, it was hoped that a series of local growth plans would address the issues that result in uneven development. This focus on areas of natural economic geography calls to mind the literature on place-based clusters and ecosystems that argue that each locality has a unique set of characteristics that if utilised and managed effectively will enable it to create and strengthen its competitive advantage (Porter 1990, 2003; Barca, 2009, Barca and Rodriguez-Pose, 2012). What Feldman refers to as the 'character of place' can differentiate a successful ecosystem from an unsuccessful one (Feldman, 2014: p.10). As such the literature on ecosystems offers potential insight into the characteristics or factors that might

assist the LEPs in their role. If LEPs are to be successful in their pursuit of economic growth, a more detailed understanding of these factors is needed because, as Section 2.2 indicated, there is a lack of knowledge in this area. Given the focus on place, the evidence-base relating to clusters and ecosystems offers potential insight to guide the LEPs in unlocking the growth potential of their natural economic geographies. Section 2.3 explores the established literature on clusters, innovation systems and entrepreneurial ecosystems to understand the features of productive ecosystems, drawing the lessons pertinent to LEPs.

2.3.1 Understanding productive places

In defining economic geography in the UK, Coe and Jones (2010) highlight the distribution of different kinds of economic activity and the underlying processes that produce uneven patterns. They note a complex range of multi scalar connections across the UK that are not neutral but bound in issues of power, control and dependency. The UK economy does not function as a single bounded space, but as an open system that plugs into economic processes at other scales – local, regional, national and global. Economic geographers have long argued that economic development is an uneven process which results in spatial disparities in productivity and prosperity (Martin, 2008; Harvey, 2008; Hildreth and Bailey, 2013; Martin *et al.* 2016). In seeking to address these disparities, earlier sections of this chapter have highlighted the compulsive re-organisation (Jones, 2010) of economic governance in England by central government and the iterations of institutional experiments that have sought to fill the missing space between central and local governance (Shaw and Greenhalgh 2010). If LEPs, as one such iteration, are to impact on these uneven patterns of growth, the literature on the features of productive places is likely to be of value to aiding their development. To this end, the following sections explores the related literature on clusters, innovation systems and entrepreneurial ecosystems.

2.3.1.1 Clusters and innovation systems

Work on clusters goes back to Alfred Marshall (1920), who recognised that certain benefits could be accrued from co-location such as the availability of skilled labour and knowledge (Pitelis, 2012). Porter's (1990, 2003) work on competitive advantage increased understanding of the role and impact of location. Whilst recognising the impact of factors within the firm, he placed considerable value on a range of external factors and notably the immediate external business environment. Porter highlighted a shift in the importance of location. Whether technology in Silicon Valley, or consumer electronics in Japan, Porter (1999) observed that innovation and competitive success in

many fields has tended to geographically concentrate or cluster. Previously areas that benefitted from physical factors such as ports providing vital access to trade routes were able to achieve competitive advantage over other locations. From the 1980s onwards as a direct result of globalisation (Dicken, 2003, 2015), transportation barriers were reduced and the speed of communication vastly increased (Feldman and Francis, 2004). Porter (1990) saw competition very much as dependent on productivity which was intrinsically linked to the quality of the local business environment. Within that environment the firm's productivity was dependent on the quality of the location's infrastructure, skill pool and regulatory frameworks. Porter (1999) was a strong advocate of the cluster and drew a range of process related benefits that were available to firms operating within an effective cluster. These included the opportunity to collectively source inputs, access information, knowledge and technology which allowed firms to operate more innovatively and productively as a result.

In the 1990s the term Regional Innovation System (RIS) and National Innovation System (NIS) evolved out of the growing body of literature on clusters and rapidly became popular concepts across Europe (Acs *et al.*, 2014). They were supported by the OECD but also popularised by the increased pressure on firms to compete in the global economy (Doloreux and Pardo, 2004, 2005; Pitelis, 2012). The concept of innovation systems, like clusters, lacks a commonly agreed definition but is used to denote a group of private and public sectors contributors, from formal institutions and other organisations that operate according to organisational and institutional arrangements and relationships conducive to the generation, use and dissemination of knowledge to reinforce innovation capacity and competitiveness (Doloreux, 2002). The Regional Innovation System operates as a systemic and dynamic process that evolves out of collective knowledge sharing and interactive learning between businesses and other organisations including local authorities, universities and providers of business support, research and development (Uyarra, 2010). Cooke and Scienstock (2000) offer a useful definition:

geographically defined, administratively supported arrangement of innovative networks and institutions that interact regularly and strongly to enhance the innovative outputs of firms in the region (2000: pp. 273–274).

Proponents of RIS argue that the spikes in economic and technological performance visible between and within regions cannot be explained solely by reasons within the firm. They value other factors outside the firm including the combination and effectiveness of institutions within the wider system and their interactions. Huggins and Thompson (2015) regard the success of the innovation

systems as dependent on both the formal and informal networks of co-located organisations, that include universities, research and support providers and other firms or individuals, within the innovation process. According to Fuerlinger *et al.* (2015) the systems of innovation approach emphasises the importance of the interactions amongst a range of actors and the existence of policy and processes to promote innovation success. There has been considerable examination of the factors that make some places 'sticky' and able to translate ideas and innovate new technology to generate growth and those that are 'slippery' and unable to benefit from the innovation process (Markusen, 1996; Pitelis, 2012; Huggins and Thompson, 2015; Uyarra *et al.*, 2017). Feldman's research in this area has explored who the key change agents are within these sticky places in order to begin to unpick the role different individuals and institutions play in the ecosystem. In her work on clusters, Feldman (2014) sought to understand the institutions that support and encourage cluster development and knowledge creation. She observed that systems of innovation do not follow predictable linear processes but rely on 'the adaptive, self-organizing behaviour of entrepreneurs, who in turn rely on support from their local environment, including government resources' (Feldman *et al.*, 2004: p.130).

National and Regional Innovation Systems have their origins in a number of theoretical concepts. Firstly, the in the systems of innovation theory which views innovation as an evolutionary and social process stimulated and supported by the collaboration of a range of actors including business, government, universities and various supporting organisations (Cooke *et al.* 1997; Cooke, 2001). Secondly RIS draw on the theories economic geography that support the arguments for locally embedded innovation and for spatial concentration or clustering of innovation activity (Storper, 1995; 2011). Theories of interactive learning also hold influence and place emphasis on the importance of knowledge and learning being shared and developed at the local level, which in turn lead to the development in the late 1990s of the concept of the 'learning region' (Morgan, 1997).

The concept of innovation systems is focused at a sub-national level and encourages bottom-up collaboration between actors within the system. This helps frame our understanding of the logic behind the removal of Regional Development Agencies in favour of a more localised partnership arrangement. The link to the creation of LEPs followed the proposition established by the literature on clusters and innovation system: that if the system of LEPs was locally embedded and driven by an effective collaboration between multiple partners then increased productivity and growth would follow. As such, the policy development unpinning the LEPs has clear theoretical influences that are drawn from an international research evidence-base on the benefits of a localised innovation

systems to develop an infrastructure for the implementation of local development and growth programmes.

By drawing on the evidence-base of the factors that make some places 'sticky' and more successful ecosystems, this research will consider whether these factors can also guide and support the LEPs as they evolve into the institutions to drive local growth.

2.3.1.2 Entrepreneurial ecosystems

The literature on innovation systems has been useful in emphasising the importance of locally embedded networks and the interplay between organisations and institutions which is a critical component of partnership working. Critics of the concept however highlight its vagueness and ambiguity which make it difficult to operationalise (Uyarra, 2010). It has also been noted that the entrepreneur is conspicuous in their absence in the literature on innovation systems where the focus lies primarily on the interplay between business and a range of institutions (Feldman and Francis, 2004; Shane and Venkataraman, 2007; Feldman, 2014). As a result, out of the work on clusters and innovation systems a body of growing literature has evolved that considers the entrepreneur as a central actor in the system. Feldman's work placed the entrepreneur or business owners at the centre of the ecosystem as the key economic change agent but recognised that they needed the support and collaboration of a range of other actors (Feldman and Francis 2004, Feldman *et al.* 2005, Feldman 2014). This view is shared by Acs *et al.* (2014) who defined a National Systems of Entrepreneurship as 'the dynamic, institutionally embedded interaction between entrepreneurial attitudes, ability, and aspirations by individuals which drives the allocation of resources through the creation of new ventures' (2014: p.479). Returning to section 2.2 these views draw on the work of Schumpeter (1934) who writing eighty years earlier considered entrepreneurs to be the agents of creative destruction.

The literature on entrepreneurial ecosystems remains largely policy-based (Isenberg, 2010, 2011; Aspen Network, 2013; World Economic Forum, 2013), and practitioner-based (Feld, 2012; 2013). With limited academic writing on the topic it remains an under-researched area (Feldman *et al.* 2005; Acs *et al.* 2014; Spigel, 2015) but one that adds value to our understanding of why certain places are more enterprising which again helps to unlock our understanding of how LEPs might be better supported and guided to achieve maximum effectiveness.

The biological metaphor of an ecosystem was first used in relation to enterprise in the 1990s by James Moore who claimed in his Harvard Business Review article (1996) that businesses do not

evolve in a vacuum but are relationally embedded. The concept of an entrepreneurial ecosystem was first used by Cohen (2006) to define 'an interconnected group of actors in a local geographic community committed to sustainable development through the support and facilitation of new sustainable ventures' (2006: p.3). The concept has continued to evolve supported by research undertaken on behalf of the OECD and World Economic Forum (WEF) (Isenberg 2010, 2011). There is no single definition of an entrepreneurial ecosystem but academics and practitioners have identified a number of common factors that have been shown to repeat in successful ecosystems and these have much in common with the established concepts of innovation systems and clusters set out in earlier sections. The primary links are the focus on the entrepreneurs and the immediate external environment in which businesses operate re-emphasising the importance of place (Stam, 2015). Mason and Brown offer a detailed definition:

'a set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organisations (e.g. firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, levels of 'blockbuster entrepreneurship', number of serial entrepreneurs, degree of sell- out mentality within firms and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment' (2013, p.5)

Stam (2015) defines an entrepreneurial ecosystem as a set of interconnected actors and factors co-ordinated in such a way that they enable productive entrepreneurship within a particular territory. These definitions could easily be applied to a LEP and so an exploration of the factors that underpin effective ecosystems might again offer some pointers as to the issues that are likely to enable and inhibit LEPs.

The entrepreneurial ecosystem literature refers to elements or attributes of the system and the interactions between those elements (Alvedalen and Boschma, 2017). Isenberg (2010) argues that the development of a successful or high density entrepreneurial ecosystem is firmly rooted in local conditions and most research on the topic agrees that an entrepreneurial ecosystem has a geographically defined boundary, involves a range of actors and the presence of supportive resources, networks and institutions (Alvedalen and Boschma, 2017). Isenberg's research (2010, 2011, 2014) revealed a range of features considered to be enabling factors of an effective ecosystem. Locations that have good availability of trained and skilled human resource, access to

funding and finance to draw upon, have effective support systems in place and access to knowledge and research via universities were found to be stronger and more productive ecosystems. Drawing on disparate ecosystems across the globe, Isenberg (2014) demonstrated the impact of harnessing local resources. From the successful ecosystems founded on natural resources in Chile and Rwanda to the systems built on human resources in Taiwan, Iceland and New Zealand, Isenberg (2010) showed how these localities built successful enterprise cultures through the organisation of local resources – human and financial and the effective interaction between a set of institutions within the local system echoing the research on clusters.

Across the literature on entrepreneurial ecosystems a range of features are commonly cited as key factors and these are more supportive in some localities than in others which may lead to different rates and types on entrepreneurial activity and different development paths (Alvedalen and Boschma, 2017):

- a range of actors drawn across a variety of sectors this includes single individuals (entrepreneurs, investors), organisations (banks, firms) and effective institutions (universities, local authorities) (Miller and Bound, 2011; Pitelis, 2012; Feldman, 2014; Acs *et al.*, 2014)
- a culture or history of collective connection, support, development (Feldman *et al.*, 2016; Huggins and Thompson, 2015; Spigel, 2015)
- access to resources both human and financial (Isenberg, 2010, 2014; Mason and Brown, 2014; Spigel, 2015)
- supportive policy and governance frameworks (Mason and Brown, 2013; Fuerlingner, Fandl and Funke, 2015; Huggins and Thompson, 2015; Spigel, 2015)

These features hold resonance for the LEPs and a deeper exploration of how they might provide increased understanding of how LEPs can facilitate a productive growth and development culture is warranted.

2.3.2 Identifying the key attributes of an effective ecosystem

Out of the expanding body of literature, key commentators have sought to extract the key elements and propose frameworks to guide the development of an effective entrepreneurial ecosystem. These are worthy of consideration as they offer useful pointers to LEPs seeking to be the change agent within the ecosystem. This section looks at the various frameworks developed in relation to ecosystems.

Feld (2012) in his popularist book '*Start Up Communities: Building an Entrepreneurial Ecosystem in your City*' designed for a non-specialist audience was primarily writing for a practitioner audience as such the framework developed was offered in a pragmatic rather than academic manner and tone. That said, several critical principles can be drawn from his work that are considered necessary to the formation of a sustainable ecosystem summarised in Table 2.4.

Table 2.4 Feld's nine attributes of a successful start-up community

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Source: adapted from Feld, 2012: pp.186-187

Isenberg (2011, 2014) has written widely on entrepreneurial ecosystems and shares Feld's view of several of the criteria required to develop and maintain a healthy system. Isenberg's model stems from an initiative developed for a policy audience. Drawing on the place-based paradigm, Isenberg notes that each ecosystem will be unique given that each locality has differences but proposes a set of guiding principles that can aid the development of all entrepreneurial ecosystems and these share common ground with Feld's attributes. Isenberg (2011) clearly valued the role local conditions play in the ecosystem and identified a need for a bottom-up approach. He also placed emphasis on the ambitious entrepreneur(s) as the driver(s) of the system but recognised a clear role for other institutions to offer support and reform to legal, bureaucratic and regulatory frameworks. From this, Isenberg developed a framework for the entrepreneurship ecosystem that consisted of several attributes that he consolidated into six domains (Figure 2.3). Although he viewed the combination of attributes as unique to each system, Isenberg (2010) argued that all domains were necessary in the creation of conducive policy, markets, capital, human skills, culture and supports.

Figure 2.3 Domains of the entrepreneurship ecosystem

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Source: Isenberg, 2011.

The WEF Report (2013) drew on a worldwide survey of over 1000 entrepreneurs to increase policy understanding of high growth firms and offered a useful insight into how entrepreneurial ecosystems were perceived globally. In line with the work of Isenberg and Feld, the report found significant differences in the way entrepreneurial ecosystems exist and function between regions dependent on their location adding further weight to the argument economic development policy has to be rooted in a place-based context. However, the report also found considerable similarity amongst the barriers facing entrepreneurs around the globe and entrepreneurs had common views on the main areas of the ecosystem that they considered to be of critical importance. These included accessible markets, human capital/workforce and availability of funding and access to finance which has much in common with the domains identified by Isenberg in Figure 2.3. In common with Feld's view, the WEF report concluded that within an entrepreneurial ecosystem it was the entrepreneur who was the focus and the report found that they played several roles in the development of the ecosystem including mentor, inspiration, investor. Other institutions notably government were identified as potential growth accelerators and inhibitors. This is consistent again with the wider, established literature on innovation systems and clusters that also regards the state as both a driver and inhibitor (Morgan, 1997; Feldman, 2014; Huggins, Morgan and Williams, 2015).

The WEF report (2013) summarised eight pillars (Table 2.5) that were considered essential for a successful ecosystem, each with a number of components.

Table 2.5 World Economic Forum pillars of the entrepreneurial ecosystem

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Source: adapted from WEF 2013: pp. 6-7

The pillars strongly echo Isenberg's six domains in that they also focus on the presence of key processes like availability and access to resources, finance and support; and key partners including the state and other informal institutions to enable entrepreneurship.

There is considerable overlap across the literature on entrepreneurial ecosystems that points to a set of factors that underpin the success of these systems that all feature repeatedly across the literature and frameworks discussed:

- Shared vision
- Effective network of partners
- Leadership from strong entrepreneurs
- Supportive policies and governance arrangements
- Access to knowledge, capital, funding and talent
- An establish culture of collaboration with the presence of effective institutions

Given that much of the published policy and academic research on the LEPs has tended to focus on their set up and early stages of development (Bentley, Bailey and Shutt, 2010; Shaw and Greenhalgh, 2010; Shutt, Pugalish and Bentley, 2012; Hildreth and Bailey, 2013) it would be useful to consider how these factors drawn from a related body of research might support LEPs as they continue to evolve and establish themselves as institutions driving growth across a set of 38 individual ecosystems.

Unlike the literature on clusters and innovation systems which calls for an effective and interlinked institutional fabric within a local area, Feld (like Feldman before) placed a higher priority on local entrepreneurs in the success and development of the ecosystem but also valued interaction between a range of actors. With the entrepreneurs as the leaders in Feld's framework, he recognised that they needed to be able to draw on the support of what he termed 'feeders' – other organisations and institutions who provided a range of other resources and support such as access to knowledge, human resources and finance. Government played an enabling role delivering supportive economic development policies. This is of interest in that the Coalition government adopted this model of ecosystem leadership when they required the LEPs to be led by business with the LEP boards chaired by a local business leader. Public sector leaders were required to contribute and it will be interesting to explore through the empirical research the extent to which local entrepreneurs fulfil their leadership role and similarly how supportive local and national government have been of the LEP ecosystem as 'feeders'.

2.3.3 Addressing the limitations of the ecosystem

Given its relative infancy, it is worth considering the limitations of the entrepreneurial ecosystem concept and the fact that work in this area has tended to be for a pragmatic policy audience means it remains an under-researched and under-theorised area (Spigel, 2015; Brown and Mason, 2017). Fuerlinger *et al.* (2015) called for greater awareness as to the relative importance of the different actors within the system. Others (Stangler and Bell-Masterson, 2015; Bruns *et al.*, 2017) have observed that the complexities of the ecosystems presents challenges in setting metrics relating to outputs and outcomes and problems in measuring performance. Mack and Mayer (2015) highlighted the lack of understanding as to the interdependencies between components within an entrepreneurial ecosystem. Stam (2015) noted a concern that the elements presented by earlier frameworks offered little testing in terms of cause and effect and called for a clearer analytical framework that makes more explicit these interdependencies. Although they provided a useful list of relevant factors that underpin an ecosystem, there was little explanation of their coherence or their interdependence. In response, Stam undertook a constructive synthesis of the various frameworks to propose a model that sought to take into consideration some of the interdependencies within the entrepreneurship context summarised in Figure 2.4.

Figure 2.4 Key elements of an entrepreneurial ecosystem

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Source: Stam, 2015.

Stam's model marks an important development in thinking on the entrepreneurial ecosystem that takes the concept away from the practical policy rhetoric towards a more substantial academic base

that more importantly can be applied. A consideration of Stam's framework in an empirical context would be a useful addition to the growing debate on entrepreneurial ecosystems and the LEPs offer a viable sample of ecosystems to explore.

Alvedalen and Boschma (2017) in their critique of entrepreneurial ecosystems echoed the shortcomings raised by Stam in finding a lack of analytical framework to understand what is cause and what is effect in an ecosystem. They also identified a challenge in understanding what institutions (and at what spatial scale) impact on the structure and performance of the ecosystem. They also criticised a lack of comparative studies and found that the literature tended to provide a static framework taking a snapshot of the ecosystem without considering its evolution over time. This research considers the concept of entrepreneurial ecosystems as it applies to a number of LEPs and the empirical research presented in chapter 5 goes some way to addressing some of the shortcomings in relation to the impact of institutions on the performance of the ecosystem.

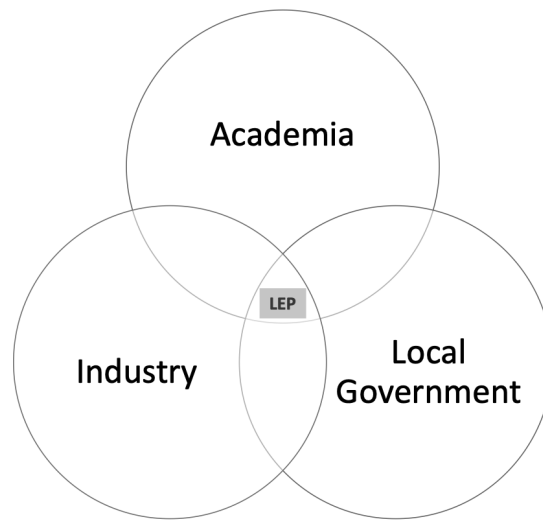
2.3.4 Institutions in the ecosystem

Within the literature presented in Section 2.3 the role of institutions within the ecosystem is considered to be of importance to unlocking the growth potential of an area (Harrison and Leitch, 2010; Farole *et al.*, 2011; Feldman, 2014; Pike *et al.*, 2015; Spiegel, 2015; Audretsch and Belitski, 2016; Brown, 2016). The health of the ecosystem is in part dependent on the involvement and interaction between a number of key institutions including industry, public sector authorities and local universities. Alvedalen and Boschma (2017) note a gap in understanding how these different types and scales of institutions might impact on the structure and performance of the ecosystem but there is already an established body of literature that provides some insight into the role and importance of different institutions. The Triple Helix theory developed in the 1990s highlights the specific interaction and relationship between three key change agents namely business, academia and government (Leydesdorff and Etzkowitz, 1998; Etzkowitz and Leydesdorff, 2000; Etzkowitz and Zhou, 2007).

To achieve sustainable economic development in a locality, Etzkowitz and Leydesdorff (2000) argued that three institutional spheres needed to collaborate effectively across their institutional boundaries. Existing research into the composition of LEPs indicates that in addition to business and public sector leaders collaborating, most LEP areas involve academia in the partnership and higher education are represented on the board where they exist in the local LEP ecosystem. As such the Triple Helix theory has been commonly (although perhaps unknowingly) applied in the creation

of these intermediary institutions as shown in Figure 2.5

Figure 2.5 LEP as a triple helix



Source: Author's Own

Through the empirical research the role and contribution of these three partners will be considered to understand how the different types and scales of institutions impact on the structure and performance of the LEP.

Given the importance of effective institutions to the economic health of the area, LEPs have an essential role to play in nurturing the economic vibrancy of their geographical areas. Without a statutory underpinning, they operate as semi-formal networks of local business and organisations and the effectiveness of this network is likely to be one of the criteria determining the success of the local economy. This research aims to draw on the knowledge-base presented in this chapter in relation to the factors supporting ecosystems to develop a greater understanding of the factors that drive and inhibit LEP effectiveness. By exploring these factors in situ through empirical research, it will consider whether it is possible to develop our understanding of these factors into a model of place-based partnership that, rather like the frameworks proposed by Stam, Isenberg and the WEF, can be used to support LEP development. By understanding the key factors of effective ecosystems our understanding of the composition of an effective LEP will be enhanced and, given the lack of guidance and calls for greater transparency, this new insight will offer a tool for LEPs to apply to their own local ecosystems.

2.3.5 Section summary

The review of work on clusters, innovation systems and entrepreneurial ecosystems has aided an understanding of the factors that contribute towards a healthy enterprise ecosystem. They encompass not only entrepreneurs and their businesses, but also a wider pool of stakeholders that include suppliers, supporters, skill providers, as well as other institutions including government and academia. The entrepreneurial ecosystem regards the individual entrepreneur and not the business as the primary focus. Entrepreneurs are regarded as the leaders of the ecosystem who have a critical role in its creation, maintenance and ongoing development. Government at the central and local level has an important role to play but as a 'feeder' of the system and not as a 'leader' (Feld, 2012). The role of the government (both local and central) is to create an environment to support rising productivity through the supply of an educated and trained workforce and through efforts to drive improved physical infrastructure (Porter, 1999).

LEPs are one of that latest institutions created to drive the economic ecosystem. Some have argued that government sits in a difficult position within the system and has a difficult task in finding the right balance between promoter and inhibitor of growth (Hildreth, 2011; Hildreth and Bailey, 2014; Fuerlinger, Fandl and Funke, 2015). Whoever leads or feeds the ecosystem, the LEP was created to broker the relationship between business and other supporting organisations at the local level in the pursuit of improved growth. There is a clear synergy between the notion of the innovation and entrepreneurial ecosystem and the aims of a LEP. As *'joint local authority – business bodies brought forward by local authorities themselves to promote local economic development'* (House of Commons, 2010) LEPs fit the wider Mason and Brown's (2013) definition as the vehicle to drive the entrepreneurial ecosystem of their chosen geography.

However, this is an area that has yet to be fully explored within the literature and the frameworks developed and proposed by likes of Feld, Isenberg, the WEF and Stam are of interest to developing our understanding of the factors that drive LEP effectiveness. Whilst recognising that each locality is unique and has clear points of difference, the frameworks offer a lens through which individual LEPs can be observed.

Moving beyond the literature on economic ecosystems, there is a wealth of research that explores partnerships as a form of governance and regardless of the policy areas, there is also much to learn from this wider literature.

2.4 Contextualising governance by partnership

‘We are keen to encourage local businesses and councils to work together to develop their proposal for Local Enterprise Partnerships’ (excerpt from the letter from Vince Cable MP and Secretary of State for Business, Innovation and Skills and Eric Pickles MP and Secretary of State for Communities and Local Government inviting the formation of Local Enterprise Partnerships: 29 June 2010).

The LEPs drew together the private and public sector in the pursuit of economic growth but the notion of public private partnerships is not new. Since the 1980s government has sought to promote a far greater role for the private sector in economic development and the Inner Cities White Paper (1977) began the process by advocating a partnership approach in relation to urban renewal through closer working between government and the private sector and local communities in order to improve service delivery (Bailey, 1994). The partnership approach to economic development and regeneration was commonplace by the 1990s when changes in the national and local economies accompanied by shifts in power relationships between central and local government meant the idea of partnership was a far more attractive option (Bailey, 1994). During times of recession, partnership working accompanied by an increase in devolution of power to other stakeholders has become increasingly important as governments have sought to reduce costs and share responsibility and resource (Mackintosh, 1992; Hastings, 1996). These arguments were cited in the rhetoric that accompanied the creation of LEPs (BIS, 2010) and have been the source of much academic debate (Bentley, Bailey and Shutt, 2010; Shaw and Greenhalgh, 2010; Shutt, Pugalís and Bentley, 2012; Pike *et al.*, 2013). Given the Conservative Liberal Democrat Coalition and subsequent Conservative governments’ desire to continue moves towards an agenda of increased decentralisation, partnership has remained an important means of governing economic development in the UK (Lowndes and Skelcher, 1998; Lowndes and Pratchett, 2012; Holman, 2013). During the four decades since its inception, there has been a wealth of both policy and academic research into the partnership approach and the literature that specifically explores the government’s role in economic development frequently concludes that the state’s efforts can only be successful when combined in public–private partnerships (Mackintosh, 1992; Feldman, 2014).

Within a healthy economic ecosystem LEPs exist within the space between the state and local communities and can be viewed as the institution to facilitate a place-based economic development strategy (Bentley and Pugalís, 2014; Hildreth and Bailey 2014). Partnerships do not

exist in a vacuum but, like innovation and entrepreneurial ecosystems, emerge across organisational and sectoral boundaries, engage a range of actors and are shaped by economic, social and political events (Lowndes and Skelcher, 1998; Fenwick, Miller and McTavish, 2012; Lowndes and Pratchett, 2012). As such, partnership offers a flexible framework for organising regional and local development (Hastings, 1996; Geddes, 2006; Fineberg, 2013).

2.4.1 Partnership typologies

Because the term covers a varied range of concepts and is used to describe a wide variety of practices it is not surprising that there is no single definition of the term partnership (McQuaid, 1994, 2009). In the context of economic development, the partnership primarily draws together the public and private sectors and Bailey offers a useful working definition of private-public partnerships as:

the mobilisation of a coalition of interests drawn from more than one sector in order to prepare and oversee an agreed strategy for regeneration of a defined area (1994: p.293).

Given the flexibility of the partnership model, there have been numerous attempts to define partnerships by grouping them into various typologies. The following sections explore the main typologies within the literature and considers their usefulness in understanding the factors that might influence the effectiveness of the LEPs.

2.4.1.1 Process typology

Mackintosh (1992) developed a framework for understanding partnerships based on process that distinguished between 'synergy', 'transformation' and 'budget enlargement'. These processes were not intended to be seen as alternatives or mutually exclusive but rather elements of all three were found to appear in most of the partnerships studied by Mackintosh. The synergy model argues that partnership working allows various stakeholders to achieve greater or better outcomes than would have been achieved by all those concerned working separately. The transformative model theorises that a higher level of innovation and change can be created by partners working together and challenging each other's normal way of working. The third process, budget enlargement, highlights that by working collaboratively allows partners to gain access to additional resources.

Hastings (1996) in her work exploring the interactions between the partners involved in Scottish Urban Partnerships critically applied Mackintosh's theoretical framework and found both the

synergy and transformation models to be too broad to explain the workings of partnerships where multiple stakeholders were involved. She expanded the model to separate synergy into resource synergy which brings added value from the co-ordination of resources and joint effort and policy synergy which allows new insights to be achieved out of the differences between partners depicted in Table 2.6.

Table 2.6 Types of synergy achieved through partnership

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Source: Hastings, 1996

The advantages of working in partnership highlighted by Mackintosh and Hastings were some of the reasons given for the creation of LEPs and through the transfer of power to local leaders it was hoped that LEP would be able to secure a wider pool of shared resources and bring a new perspective on securing growth for all (Bentley and Pugalys, 2013; Pike *et al.*, 2013).

Hastings (1996) also refined Mackintosh's transformation model to distinguish between uni-directional and mutual transformation. The uni-directional transformation highlights the potential for conflict within partnerships whereby cultures clash when one or more partners fail to adapt and seek to dominate the partnership. Conversely, where partners collaborate effectively mutual transformation can be achieved bringing adaption and harmony depicted in Table 2.7.

Table 2.7 Types of transformation achieved through partnership

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Source: Hastings 1996

The LEPs were created to transform the local economic development landscape. Early research into their success suggest they have achieved mixed success (Bentley, Bailey and Shutt, 2010; Shutt, Pugalis and Bentley, 2012; Pike *et al.*, 2013; Ward and Hardy, 2013). This research will expand upon this knowledge-base by conducting empirical study with LEPs at a point when they are fully established to explore the factors that enable these multi-agency partnerships to collaborate and consider whether they have achieved mutual transformation of their local economies.

2.4.1.2 Co-operation typology

Snape and Stewart (1996) in their research into partnership working on social inclusion policy in the West of England offer an alternative typology that differentiates partnerships according to the level of inter-agency co-operation they are able to achieve. They distinguish between three forms of partnership.

- facilitating partnerships that manage ongoing, strategic policy issues over the long-term
- co-ordinating partnerships that manage the implementation of a specific policy agenda to an agreed set of priorities
- implementing partnerships that are pragmatic and focus on specific, time bound projects.

McQuaid (2009) later added a fourth typology to Snape and Stewart's list - the strategic goal agreement partnership which seeks to identify key directions and aims and determine how these might be achieved through partnership working. Given the diversity amongst the LEPs there are no doubt elements of all four forms of co-operation at play however, the rhetoric that accompanied the move towards localism implied that LEPs would be facilitating partnerships that brought

together the public and private sector interest and mobilised action to develop and oversee a plan for the regeneration of the local areas. There have been criticisms that the ongoing influence of central government has hampered the LEPs ability to be locally determined which affects the strength of local leadership and level of collaboration they are able to achieve (Pike *et al.*, 2016; Bentley, Pugalis and Shutt, 2017). The primary research will consider inter-agency co-operation within the LEPs and how this can be an enabling and inhibiting influence.

2.4.1.3 Component Typology

McQuaid's (1994) typology offers an alternative means of categorising partnerships based on their constituent elements. He highlighted four key components:

- **Remit:** The remit of the partnership concerns the aims of the group and is an important dimension of partnership working. McQuaid (1994) argued that the remit may take account of a range of activities or programmes focusing on a single project, or on a variety of factors and programmes which may affect the area under consideration. The focus may also be on different geographical areas in terms of size and position.
- **Key actors:** The actors within the partnership are one of the main components to be considered. Underlying this component is the balance of trust and power between the various partners and their ability to influence wider decision-making.
- **Implementation mechanisms:** This concerns the functions performed by those involved in the partnership. This includes for example the identification, control and provision of resources. It is also concerned with the process by which partners are engaged as to whether this is by a formal or organic, top-down or bottom-up process
- **Time:** Over time changes occur in any partnership. The role of the partners and their priorities will shift and with it the balance of power may alter. As such McQuaid (1994) argued that partnerships should be viewed as dynamic forces that need to adapt.

There is some overlap between these components and the criteria highlighted in the frameworks of entrepreneurial ecosystems. This suggests a synergy between the elements that underpin partnership collaboration and effective ecosystems – an area that will be developed further in chapter 4 as the research moves to propose a conceptual model of place-based partnership. These components have also been raised within the existing comparative research into LEPs and Government reviews of LEP progress at various stages have considered key components including resources, leadership and accountability (Bentley, Bailey and Shutt, 2010; House of Commons,

2010, 2013; MHCLG, 2018). This research aims to understand more fully the factors that drive LEPs effectiveness and these wider lessons from the partnership literature are invaluable in highlighting some of the elements that comprise partnerships.

2.4.1.4 Lifecycle Typology

The notion of time as a key influence on partnership raised by McQuaid has been developed further by the work of Lowndes and Skelcher's partnership lifecycle typology (1998). One of the fundamental aspects of the analysis of partnership they argue concerns the dimension of time and the changes that occur in the relationships between different actors at different stages of the partnership lifecycle. To understand the repercussions of time on the dynamics of the partnership, Lowndes and Skelcher observed a four-stage partnership life cycle presented in Figure 2.6.

Figure 2.6 Partnership life cycle

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Source: Lowndes and Skelcher, 1998.

Pre-partnership collaboration concerns the phase characterised by relations between different subjects marked by informality, trust and the identification of a shared goal. Partnership creation and consolidation is a phase characterised by the tendency towards hierarchical relations based on authority and status differentiation and by formalisation of procedures. Pursuance of the partnership programme is characterised by market or quasi-market mechanisms that may lead to a sort of contractualisation of relations, connected to the fact that the partners may sometimes be in competition with each other on specific actions. Partnership conclusion or transformation is a

phase characterised by reorganisation of agreements and collaborations aimed at renewing or maintaining commitment to the action.

The notion of time and a partnership lifecycle as it applies to LEPs was explored by Pugalís and Bentley (2013c) who adopted the Tuckman (1965) model of team development (Figure 2.7) to explore LEP development and progress.

Figure 2.7 The Tuckman model of team development

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Source: adapted from Tuckman 1965

The model explains the uncertainty and tension that exists at the formation and early stages as typical to group development when partners are coming together and learning about each other for the first time. Most LEPs, Pugalís and Bentley (2013c) argued, had arrived at the norming stage at the time of their research although few could be described as performing.

These established typologies of partnership are of relevance to our understanding of LEPs and offer useful insight to guide this research as it seeks to understand the factors that shape a model of effective working in place-based economic development partnerships. Evidence of the typologies will be revisited in the empirical research.

2.4.2 Motivation for partnership working

Participation in partnership can be motivated by a range of factors and affords a number of benefits (Bailey, 1994; McQuaid, 1994; Lowndes and Skelcher, 1998; Hemphill *et al.*, 2006). It is useful to understand the factors that have been established in existing research as motivation to work in partnership and conversely those that inhibit progress as these will be of value to the development

of a conceptual model for this research.

Interactions between organisations have broadly originated from two organising principles: competition and collaboration (Lowndes and Skelcher, 1998). Mackintosh (1992) and Hastings (1996) identified the synergistic benefits that could be accrued from working collaboratively. Partnerships have also been shown to improve effectiveness, especially in the long term, through creating stability, building local confidence, minimising risk for partners and potential investors, resolving conflict, building of understanding and trust and increasing strategic planning and decision-making (Miller and Ahmad, 2000; Bailey, 2003). Partnership can be motivated by desire to achieve leverage, often in terms of public sector monies being matched and bettered by private sector investment (Bailey, 1994).

Unlike the budget enlargement focus of Mackintosh's (1992) process typology, here leverage may not simply be financial. Access to additional skills, information, political access for voluntary and community groups, business access for the public sector and increased human resources are all recognised as motivating factors (Bailey, 1994; McQuaid, 1994; Lowndes and Skelcher, 1998). Echoing the literature on clusters and innovation systems (Porter, 1999; Isenberg, 2011; Pitelis, 2012; Acs *et al.*, 2015), partnerships also create increased opportunities for innovation as partners from organisations with different experience, expertise and perspectives come together and share ideas (McQuaid, 2009).

The motivation to engage in partnership may also be driven by the need to source greater legitimacy. Working in this way could raise an initiative's profile and increase its political or community acceptability. This provides a basis for suggesting that decisions and actions are legitimate in the absence of any formal democratic mechanism (Lowndes and Skelcher, 1998). Partnership may also increase the level of legitimacy of a policy because of the involvement of local agencies rather than singular decision-making and implementation from central and or local Government (McQuaid, 1994). Partnership may also be a politically motivated strategy. In the British context, it allows national policy to be focused and delivered at a local level, without using local authorities as the sole delivery mechanism (Bailey 1994; Lowndes *et al.* 1997).

This motivation is evident in the policy guidance on LEPs and the Coalition government's determination to rebalance the economy towards the private sector (BIS, 2010). LEPs were asked to select a private sector leader and be business led but as non-statutory bodies they remained reliant on a local authority in most areas to fulfil the role of accountable body for the considerable

public funding allocated to them. As such the extent to which LEPs have been able to shift focus to the private sector and be truly business led remains unclear.

These concepts are formalised in the Theory of Collaboration characterised by a notion of synergistic gain from sharing resources, risks and rewards and the prioritising collaborative over competitive advantage (Huxham, 1996). Emerging from the corporate strategy literature, the concept of synergy refers to 'the additional benefits of companies acting together rather than severally' (Mackintosh, 1992: p.21). Working together offers partners the possibility for improved delivery of their own objectives and the potential for new opportunities (Moore, 1996, 2006). By pooling expertise and resource in a complementary rather than competitive manner partners expect to see an increase the total impact and output and the facilitation of a more flexible and responsive approach.

Huxham's work on the Theory of Collaborative Advantage was developed in the late 1980s from research into multiple types of collaborations as a practice-based theory to help understand the management of collaboration and partnership and as such offers a useful lens to aid understanding of LEP collaboration (Vangen and Huxham, 2013). The theory notes a tension between the synergistic benefit of working in partnership, referred to as Collaborative Advantage – and Collaborative Inertia – the potential for joint working to be slow, frustrating and full of conflict. Huxham and colleagues extensive research (Huxham and Vangen, 2000; Huxham, 2003; Skelcher and Sullivan, 2008) observed that effective partnerships achieved collaborative advantage and avoided collaborative inertia and highlighted several common variables or themes associated with successful partnerships:

- Common aims (Huxham and Vangen, 2000; Huxham, 2003; Vangen and Huxham, 2003, 2008, 2013)
- High levels of trust and engagement between partners (Huxham and Vangen, 2000; Bailey, 2003; Huxham, 2003; Vangen and Huxham, 2003, 2013; Skelcher and Sullivan, 2008; Vangen, Hayes and Cornforth, 2014)
- Effective leadership (Huxham and Vangen, 2000; Bailey, 2003; Huxham, 2003; Vangen and Huxham, 2003, 2013; Skelcher and Sullivan, 2008; Vangen, Hayes and Cornforth, 2014)
- Balance of power (Huxham and Vangen, 2000; Bailey, 2003; Huxham, 2003; Vangen and Huxham, 2003, 2013; Skelcher and Sullivan, 2008; Vangen, Hayes and Cornforth, 2014)
- Strong structure and governance (Huxham and Vangen, 2000; Bailey, 2003; Huxham, 2003; Vangen and Huxham, 2003; Skelcher and Sullivan, 2008; Vangen, Hayes and Cornforth,

2014)

These variables echo the parameters suggested in the limited guidance provided by DCLG and BIS in 2010 to local council and business leaders when asked to form a LEPs (BIS, 2010). The White Paper encouraged those submitting proposals for a LEP to:

- provide a clear vision to tackle issues such as planning, housing, transport and infrastructure, enterprise and employment that would rebalance economy towards the private sector
- engage partners drawn from local groups of councils and private sector business leaders, alongside other key stakeholders with equal representation from public and private sector
- ensure strategic leadership was in place to set out local economic priorities with the chair ideally a prominent business leader or elected mayor
- put in place robust governance structures

This research considers whether these factors are enabling LEPs to achieve their aims and whether there are other factors at play.

2.4.3 Challenges of partnership working

There are well-documented problems that may arise through working in partnership and these may vary according to the form of the partnership (McQuaid 1994; 2009). Baum's (2000) research exploring the realities of partnership working between universities and community groups in the United States challenged the assumption that the mere process of partnership creation naturally accrued a range of benefits including pooled resources and added value. This assumption he argued was a fantasy and he proposed two principles. Firstly, potential partners needed to agree explicitly upon a shared purpose and strategy for achieving that purpose. Secondly, partners needed to allocate sufficient flexibility, time and resource 'to learn, change their minds, change their identities and change their directions' (2000: p.244). These assumptions have strong links to Hasting's (1996) work on the transformational benefits of partnership working, to McQuaid's (1994) observations on the influence of time and to Lowndes and Skelcher's (1998) partnership lifecycle typology.

Plummer and Zipfel (1998) in their evaluation of the success of regeneration partnerships noted several factors which appeared to inhibit effective working that supports the view of Baum (2000) that partners need a shared vision and strategy supported by adequate time and resource. Plummer and Zipfel observed that partnerships were often operating to unreasonable timescales

largely driven by the demands of (often nationally imposed) funding regimes. They also recognised that partners brought different cultures, values, attitudes and styles of working that were often hard to merge or balance and often exacerbated by historical and unresolved conflicts. As the work of Mackintosh (1992) and Hastings (1996) has already identified, difficulties arise between partner organisations because of different working culture and unsurprisingly attempts to merge cultures and goals of organisations can lead to conflict. Further McQuaid (2009), Bailey (1994) and Baum (2000) have highlighted a lack of accountability and concerns in relation to resource costs whereby the costs of collaboration can often appear to outweigh its benefits. Difficulties have also arisen over the balance of power within a partnership whereby differences in approaches between partners can result in unequal power, conflict, control which can have detrimental impacts (Baum 2000).

Since the 1990s within the arena of economic development in England there have been a host of partnership iterations:

- Urban Development Corporations
- Training and Enterprise Councils
- Local Enterprise Companies
- Core Cities Groups
- City Regions
- Local Development Trusts/ Partnerships, Urban Regeneration Companies
- Local Strategic Partnerships
- Regional Development Agencies
- Local Enterprise Partnerships
- Combined Authorities

This proliferation of partnership has been criticised for causing confusion and fatigue in equal measure (Cochrane, 2010; Holman, 2013; James and Guile, 2014). The research into LEPs undertaken by the National Audit Office (NAO) on behalf of the Department for Communities and Local Government (DCLG) raised concern as to where LEPs fit into the ever-changing devolution landscape in England (NAO, 2016a; 2016b). As greater powers have devolved to Combined Authorities this confusion has increased and is particularly acute in LEP areas where the boundaries are not coterminous (Pike *et al.*, 2016). The LEP review (MHCLG, 2018) offered some clarity by recognising the greater accountability of Mayoral Combined Authorities (MCA) to devise and implement economic policy in their city regions but said little to guide non-MCA LEP areas.

The key to overcoming this confusion, it is argued, is to achieve inter-connectivity. The Audit Commission (2005) in its report on the effectiveness of Local Strategic Partnerships (LSPs) highlighted that when partnerships had established clear linkages between themselves and their thematic partnerships, 'better, more integrated policies and plans emerge from the process' (2005: p.15). Holman (2013) in her work on local planning similarly argued that partnerships required clarity of objectives, policy integration and consideration about how they fit into the overall matrix of local governance to achieve success and longevity. This connectivity is important for LEPs as they navigate the shifting geographies around Combined Authorities and without reflection on how these new bodies are mapped onto existing networks, opportunities for broader relationship building and knowledge transfer may be missed (Holman, 2013; Pike *et al.*, 2016).

2.4.4 Understanding the variables of an effective partnership

The review of existing literature presented so far highlights a relationship between the drivers and inhibitors of partnership success - where clarity of purpose drives success, confusion will inhibit; time is important to building a collaboration founded on trust and so partnerships that are pulled or forced together will take longer to establish. From the research evidence several key findings can be drawn from successful partnerships which point to a series of recurring features. These features are discussed in greater depth in this section.

Nelson and Zadek (2000) refer to the successful mix as 'partnership alchemy' and they argue that it is dependent upon five key factors. Firstly, context or local environment is a key driver that shapes the creation of a partnership that can yield both positive and negative outcomes. Geddes *et al.*'s (2007) evaluation of LSPs found both virtuous and vicious circles at play. The vicious circle was commonly found in local contexts where there was no tradition of strategic partnership working and little trust between partners. Conversely, the 'virtuous' circle occurred when the LSPs were deeply embedded in the local governance landscape as sustainable institutions. Pugalis and Bentley's (2013c) research into the creation and set up of LEPs observed a similar pattern that the partnerships that could achieve greater success and move more quickly through the phases of development were those that had the benefit of a pre-existing and effective institutions to govern local economic geography – akin to Geddes *et al.*'s virtuous circle.

The second success factor proposed by Nelson and Zadek (2000) was a sense of common purpose which encompassed the complexity and scope of the partnership's goals and activities, including the level of agreement on a common agenda. This echoes the synergy typology of partnership that

argues that the whole is greater than the sum of its parts. The nature or skills of individual partners including their leadership characteristics, resources, capacities and competencies was the third criteria. This view is shared by Pugalis and Townsend (2013) in their study of LEPs as fleet of foot partnerships which saw value in partnership as a means to open up the space to a range of differently skilled public, private and community partners. The fourth of Nelson and Zadek's (2000) factors for success was the strength of the organisational and legal structure and governance principles. As non-statutory partnerships in receipt of considerable sums of public monies, governance has been a topic of interest for the LEP. There may be lessons for LEPs to be taken from the wider research given that they have come under increased pressure to review and tighten their governance arrangements following criticisms over their transparency and accountability (Pike *et al.*, 2013; Hildreth and Bailey, 2014). The final factor identified by Nelson and Zadek (2000) was partnership outcomes, in particular the ability to identify and evaluate outcomes and adapt the partnership accordingly.

Carley's *et al.*'s (2000) research into urban regeneration partnerships found clear overlaps with the factors that drive partnership success. Funded by the Joseph Rowntree Foundation, the research explored partnership effectiveness across 27 case study localities in England, Wales and Scotland to understand the factors that influenced partnership effectiveness summarised in Table 2.8.

Table 2.8 Carley et al.'s factors influencing partnership effectiveness

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Source: adapted from Carley *et al.* 2000.

In their work evaluating regeneration partnerships, Plummer and Zipfel (1998) highlighted a number of supporting factors that included:

- Establishing a common vision, goals and objectives
- Developing good working relationships between key partners based on co-operation and mutualism
- Understanding each other's culture and recognising the constraints different partners face
- Playing to different strengths, skills and expertise of partners
- A clear framework for decision-making that is transparent and encourages mutual trust between people and organisations

- Clarity of responsibility and leadership

These features again overlap with and reinforce the drivers of partnerships presented within other research and as such could form the basis of a mix of factors that might support the LEPs as place-based partnerships.

McQuaid's (2009) body of research exploring the theory of organisational partnerships considered the advantages, disadvantages of partnership working and highlighted a number of success factors that underpin multi-agency partnerships summarised in Table 2.9.

Table 2.9 McQuaid's factors influencing partnership effectiveness

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Source: McQuaid 2009.

The overlap with the factors noted by others is apparent. Although published research on effectiveness in LEPs remains largely limited to their early years, a synthesis of the findings to date echoes those drawn from the earlier studies of partnership working presented in section 2.3. Drawing on the research, a summary of what collectively appears to be the factors of an effective LEP include:

- Clear lines of accountability and strong governance arrangements (Pike *et al.*, 2013, 2015; Pugalis and Bentley, 2013c; Pugalis and Townsend, 2013; Quinn, 2013; Cox, Broadbridge and Raikes, 2014; Bentley, Pugalis and Shutt, 2017)
- Adequate resources and capacity (Bentley, Bailey and Shutt, 2010; Shutt, Pugalis and Bentley, 2012; Pugalis and Bentley, 2013b; Cox, Broadbridge and Raikes, 2014)
- Effective group interaction with clear roles and contributions from partners (Hildreth and Bailey, 2013, 2014; Pugalis and Bentley, 2013c; Pugalis and Townsend, 2013)
- Shared vision and goals (Shutt, Pugalis and Bentley, 2012; Peck *et al.*, 2013; Huggins and Thompson, 2015)
- Strong leadership (Pugalis and Bentley, 2013c; Quinn, 2013; Ayres, 2014; Tomaney, 2014; Bentley, Pugalis and Shutt, 2017)

Once again there is a similarity between the factors supporting LEPs and those that have been shown to support other regeneration partnership and multi-agency collaborations across other policy agendas and spatial scales. By mapping the research presented on partnership success factors this common set of features is even more apparent as shown in Figure 2.8.

Figure 2.8 Similarity of partnership success factors across the literature

Partnership Success Criteria	Plummer and Zipfel, 1998	Nelson and Zadek, 2000	Carley <i>et al.</i> , 2000	McQuaid, 2009	Combined LEP research
Favourable local context and culture					
Shared purpose/ vision					
Translated into a clear plan with agreed objectives and outcomes					
Skills and resources, partner expertise and capacity					
Clear governance and inclusive efficient structural arrangements					
Leadership and defined responsibilities					
Effective mix of engaged partners with established level of trust between partners					
Time to nurture and recognition of the cyclical nature of partnership					

Source: Author's Own

Given this research aims to explore the factors that drive and inhibit LEPs this provides a valuable starting point to developing a conceptual model that will be further developed in chapter 4.

2.4.5 Section summary

This section has explored the concept of partnership as an established form of governance and considered the research on the motivation to engage in collaborative working. Given difficulties in developing an agreed definition, studies have sought to describe the concept of partnership using various typologies. Some focus on the outcomes to be achieved by collaboration through improved processes that allow for transformation and synergistic benefits accrued by working together. This was certainly one of the reasons cited for the creation of the LEPs that were intended to remove the bureaucracy of the former RDAs and transfer power to local leaders to transform their economic landscapes. Other typologies breakdown the partnership into its key components and observe that in addition to process, the aim of the partnership, the actors involved, and the passage of time are key features. The lifecycle of partnership has been picked up in the work of Lowndes and Skelcher (1998) and applied to the evolution of LEPs as they journey through the stages of partnership development (Pugalis and Bentley, 2013c).

The Theory of Collaboration and Theory of Collaborative Advantage takes these typologies one stage further and argue that to achieve positive synergistic outcomes by working in collaboration requires clarity and positive action across a number of variables. Consideration is also given to a range of contextual factors that include the area of coverage or scale at which the partnership operates and the stage in the lifecycle of partnership. Get the mix right and synergy follows - get it wrong and the outcome could be partnership inertia.

These variables as established in Figure 2.8 are common across the literature on partnership and offer a valuable starting point towards understanding in greater depth the factors that can support the LEPs as place-based partnership for growth.

2.5 Chapter summary

The review of the knowledge-base in this chapter highlights that the achievement of economic growth is, in part, dependent on the process of economic development. Whilst Britain has historically adopted a place-neutral and centralised approach to policymaking, the influence of globalisation has brought the importance of local geographical, historical and socio-cultural influences into sharper focus. Local Enterprise Partnerships, created in 2010, formed a key part of the Conservative-Liberal Democrat Coalition Government's moves towards localism. The philosophy behind the policy was that LEPs would be able to achieve a closer alignment between the geography of decision-making (governance) and the geography of economic flows (functional

economic space) which in turn would result in stronger growth and support a rebalancing of the national economy (Pugalis and Townsend, 2013).

In recognising the embeddedness of local economic influences, the creation of LEPs placed greater value on local networks and institutional context in shaping micro-economic behaviour (Farole *et al.*, 2011). The UK has long struggled to resolve the inequality in place-based economics and fill the 'missing space' between national and local governance (Hildreth and Bailey, 2013, 2014). LEPs are one of the latest in a line of artificial constructs to economic geography and the variables that enable them to operate as effective vehicles to drive a place-based economic development strategy is a question worthy of exploration. To date the research into LEPs has tended to focus on their creation and early set up years (Bentley, Bailey and Shutt, 2010; Shutt, Pugalis and Bentley, 2012; The LEP Network, 2012) or focus on a broader discussion of how LEP feature within wider government policy of decentralisation (Peck *et al.*, 2013; Pugalis and Bentley, 2014; Pike *et al.*, 2016). This is understandable given the popularity of place-based strategies across Europe and so a study that returns to the LEPs at a point when they are well-established in the local economic landscape to understand the drivers of their effectiveness offers a valuable contribution to academic and policy debates in England and beyond.

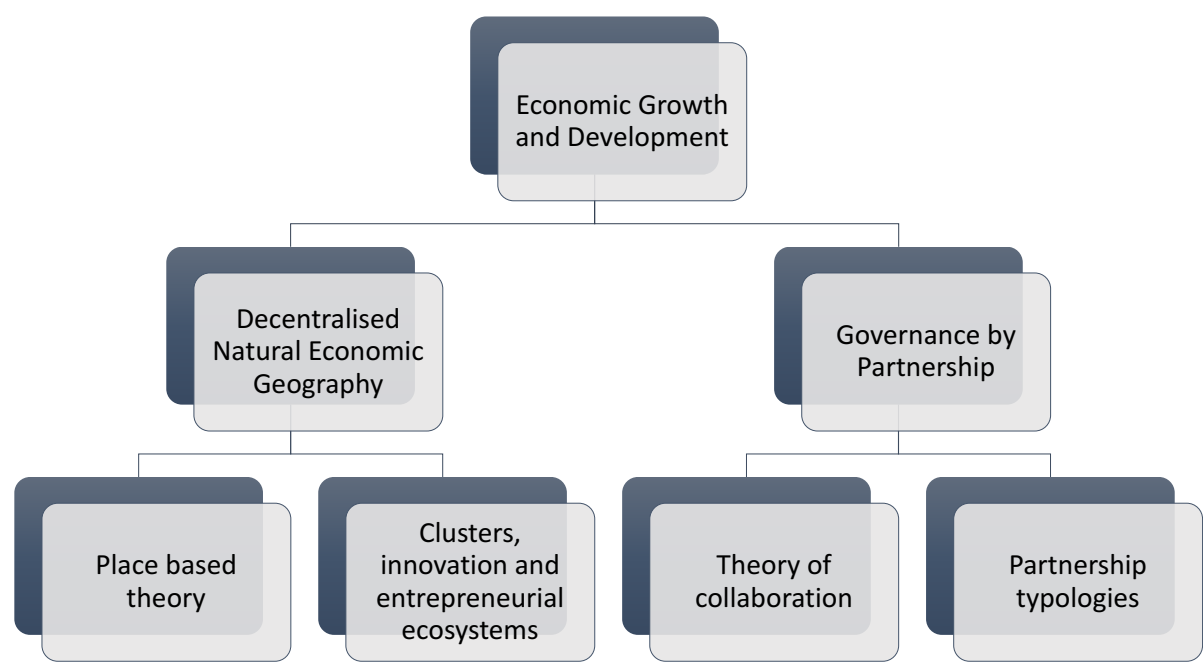
Having been established with few parameters, LEPs were free to adopt different structures, priorities and processes of working and their locally determined nature and limited national co-ordination means that there are few opportunities for shared practice so that LEPs might learn from each other. A House of Commons' Business Innovation and Skills Select Committee and the Heseltine Review (2012) have questioned this and called for greater clarity in the way LEPs are evaluated to enable greater scrutiny given the use significant public resources by the LEPs.

The literature on place-based systems presented in Section 2.2 looked at clusters, innovation systems and entrepreneurial ecosystems and observed that these concepts lent support to the place-based paradigm of economic growth. With its foundation in the work of Porter (1990) and Moore (1996) the concept has grown in popularity but is firmly rooted in place-based policymaking. Across the evidence-base a number of common factors were highlighted that guide the development and growth of successful systems. As a partnership that draws together a range public and private sector actors across an area of natural economic geography, the LEPs have much to learn from this body of literature as they play a vital role in the development and effectiveness of their local ecosystems. The literature on partnership and collaboration presented in Section 2.3 revealed strong ties to the literature on innovation and entrepreneurial ecosystem. Given the

consensus that partnership is a useful form of governance for economic growth the literature offered an equally valuable steer as to the drivers and inhibitors of partnerships effectiveness and revealed a commonality across a range of agendas not just economic development.

The three bodies of literature alongside the theoretical perspectives they encompass presented in this chapter form the theoretical framework for the research as summarised in Figure 2.9.

Figure 2.9 Theoretical framework for the research



Source: Author's Own

The factors highlighted in the literature presented in this chapter offer valuable insight for LEPs to support their development and provide some reassurance that their structures and processes are founded in established practice. The review provides a starting point towards understanding the factors that can support the LEPs as place-based partnership for growth that will be continued in subsequent chapters.

3 Phase two: conceptualisation of the research methodology

3.1 Introduction and overview

This research aims to understand the factors that enable and inhibit Local Enterprise Partnerships to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area. By utilising the existing literature and theoretical frameworks presented in chapter 2, the research will develop, explore and refine a conceptual model of place-based partnerships suitable for use by all LEPs and similar partnerships to aid their effectiveness.

The study is guided by three key research objectives:

- To understand the key components of a model for partnership effectiveness where effectiveness encompasses both the quantitative measures of economic performance and the qualitative components of collaboration, with consideration given to the wider local contextual attributes
- To explore the factors that drive and inhibit progress in LEPs
- To consider whether it is feasible and desirable to develop a model to assist the development of place-based partnerships

This chapter introduces the research methodology and reflects on the methodological approach adopted in the research which forms the basis of this thesis. Section 3.2 positions the research and sets out a broad overview of the philosophical foundations of the research which have influenced the methodological choices made. Section 3.3 introduces Soft Systems Methodology, the methodological approach adopted by this research. Section 3.4 offers a discussion of the application of the SSM approach to the key stages of data collection and provides an account of the choices made. Section 3.5 presents an account of the way in which the various sources of data were analysed and Section 3.6 describes how the results were authenticated and verified including issues of reliability, validity and ethical considerations.

3.2 Positioning the research paradigm

The relationships between methodology and philosophy and the effect these have on empirical research are complex but remain key drivers of choices that take place throughout the research process (Graham, 2005). All research is founded on a philosophical assumption as to what constitutes valid research and a consideration of the research methods that are suitable for the

creation of knowledge on a given subject. Before undertaking or evaluating a piece of research, it is important to understand these assumptions in more detail. Hirschheim and Klein (1989) regard the research paradigm as an all-encompassing system of interrelated practice that comprises assumptions about the views related to physical and social world (ontology), about how knowledge can be obtained (epistemology) and how to acquire it (methodology). Krauss and Putra (2005) rephrase these concepts to define ontology as the philosophy of reality, epistemology as how we come to appreciate that reality, and methodology as the particular practices used to attain knowledge of it.

The number and variety of schools of thought on research paradigms have evolved overtime offering the researcher a host of philosophical perspectives to draw upon and depending on the selection made, these will influence the research approach taken, methodological choices made and strategies and methods applied. Lincoln *et al.* (2011) classified research paradigms into positivism, post-positivism, critical theory and constructivism as the basic philosophical beliefs of alternative inquiry paradigm whereas Creswell (2013) cited post-positivism, constructivism/ interpretivism, advocacy/ participatory and pragmatism as the five main paradigms for research. There is insufficient room within this chapter to cover each in detail but it important from the outset to consider the motivation behind this research and understand why it is considered of interest in terms of its wider contribution to an academic and policy audience, but also to the researcher as this impacts on the methodological choices made.

3.2.1 Philosophical assumptions and choices

The study's research philosophy is influenced by related studies in the fields of economic development which is rooted within the broader study of social science. To illustrate the basic assumptions that underpin this research it is helpful to refer to Saunders *et al.*'s (2012) visual summary of research paradigms often referred to as the research onion (Figure 3.1).

Figure 3.1 Research paradigm choices

Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

(Source: Saunders *et al.* 2012)

Unlike the natural sciences that adopt a positivist ontology where the researcher remains largely detached from the research process (Carson and Coviello, 1996; Anderson, Ozanne and Hudson, 2014), the social sciences perceive multiple realities and are able to draw on a 'cloudy web of methodologies, theories, philosophies and practices' (Aitken and Valentine, 2006: p.2). This does not exclude the positivism of the natural sciences but also incorporates more subjective approaches (including interpretivism, post-modernism and pragmatism) that share a belief that reality is multiple and relative (Anderson, Ozanne and Hudson, 2014).

The philosophical approach to this research has applied an interpretivist epistemology with an ontology that holds that reality is created by individuals and needs to be interpreted if we are to discover the meaning of events. This not only fits well with the researcher's experience (discussed in section 3.2.2) but is also common across related studies (section 3.2.3) and the social sciences more broadly that incorporate approaches that believe reality is multiple and relative (Anderson, Ozanne and Hudson, 2014).

3.2.2 Influence of the researcher

From a personal perspective over the last 20 years the researcher has worked in multiple partnership settings that between them span a host of policy agendas and geographical reaches from:

- Voluntary neighbourhood safety partnerships incorporating a small number of statutory, non-statutory and community partners assembled to audit and address neighbourhood decline
- Statutory crime and disorder reduction partnerships operating at a city or district level to develop a strategic approach to community safety
- Local economic development partnerships operating at sub-regional and regional levels to improve growth, skills and prosperity

This has involved playing several roles within these partnerships, for example, as a consultant coaching, training and supporting partnerships to evolve, and as a practitioner, the researcher has been a partnership member at both strategic and operational levels. Based on these experiences, the researcher arrives at this topic with their own views of the benefits and drawbacks of partnership working. On a personal level, collaboration must have a practical value and purpose, primarily to support problem-solving and inform practice. Holden and Lynch (2004) argue that the experiences and assumptions that the researcher brings to the research are consequential and that the researcher's view of ontology will affect their epistemological stance which in turn affects their view of human nature and ultimately their choice of methodology. As such, this prior experience of working with and in partnerships will inevitably hold influence over the approach the researcher naturally takes to conducting empirical research.

The researcher's experience of working in a partnership setting highlights the complexity of these bodies. Different partners approach the table with their own views on the shared agenda and are influenced to a greater or lesser extent by the culture and ways of working of their parent organisations. Philosophically, this perspective of partnership sits within an epistemology that believes knowledge to be constructed from personal experience and hypotheses of the environment. Ertmer and Newby (2013) argue that we assess and interpret these hypotheses through our social interactions and all have a different worldview of the knowledge process that brings our past experiences to the situation. As such the researcher's previous experience of undertaking research and consultancy has drawn heavily on qualitative methods and a more

inductive and flexible approach (Carson and Coviello, 1996). In this manner, the researcher approaches the topic with a level of insight but remains open to new knowledge throughout allowing it develop iteratively with the help of research data and participants (Anderson, Ozanne and Hudson, 2014). This approach has a good fit with the research presented in this thesis. The role of researcher here is to explore, unpick and understand the enablers and inhibitors of partnership effectiveness recognising that they are unlikely to be perceived the same across all LEPs or even within each individual LEP.

3.2.3 Influence of the discipline

There have been periodic reviews of LEPs at given points in time undertaken by academics (Shutt, Pugalis and Bentley, 2012; Pike *et al.*, 2013; Pugalis and Bentley, 2013c; Bentley, Pugalis and Shutt, 2017), government bodies (DCLG and HCA, 2010; House of Commons, 2010, 2013; NAO, 2016a; MHCLG, 2018) and practitioner organisations like the LEP Network and FSB (The LEP Network, 2012, 2014; Centre for Local Economic Strategies and Federation of Small Businesses, 2014; Metro Dynamics, 2016). A review of these reports and of evaluations of similar partnership structures that pre-date the LEPs reveals a preference for methodologies that combines multiple methods.

The national evaluation of Local Strategic Partnerships undertaken by the University of Warwick adopted a Theory of Change methodology to evaluate the impact of LSPs that drew on a range of both quantitative and qualitative methods including case studies, action learning sets and surveys (Geddes, Davies and Fuller, 2007). A comparative study of local government partnerships in England and Scotland combined the secondary analysis of data on local authorities with the collection of primary qualitative data across two case study sites via interviews and participant observation (Fenwick, Miller and McTavish, 2012). Looking to research studies of entrepreneurial and innovation ecosystems the use of multiple methods is again commonplace whereby quantitative data is supplemented by a more in-depth qualitative study. Fuerlinger *et al.*'s (2015) study into the nature of entrepreneurial ecosystems in Germany adopted a broadly qualitative approach whilst Arura *et al.* (2015) studied Brazilian entrepreneurial ecosystems using a desk-based collection of largely quantitative data that was then supplemented with a sample of qualitative semi-structured interviews. A study by Huggins and Williams (2011) exploring the role of policy in entrepreneurship and regional competitiveness adopted a broadly qualitative approach of undertaking a series of semi-structured interviews with stakeholders in lagging regions that had been identified via desk-based quantitative research and documentation review. Studies that involve the development and verification of frameworks and models select qualitative methods including facilitated workshops,

focus groups and interviews are common (Kloot and Martin, 2000; Bourne *et al.*, 2010). Longitudinal case studies that adopt action research involving facilitation, participant observation and semi-structured interviews have also been used (Neely *et al.*, 1997). Modelling also draws on quantitative methods via large scale questionnaires to capture a broader view (Hemphill, Berry and McGreal, 2004; Bourne *et al.*, 2010) like the development of the BIS framework to map local innovation at the LEP level that drew on a process of modelling using data that was then supplemented by deeper consultation (BIS, 2015).

The review of related studies indicates a preference for multiple methods whereby quantitative data is used to scope the broad nature of the problem but then supplemented by qualitative data to provide a greater depth of understanding.

3.2.4 Selecting a suitable research strategy

Having assumed an interpretivist philosophy, the research required a compatible methodology that could facilitate the extraction of practice from the experience of multiple stakeholders with a view to understanding the factors that commonly enable and inhibit the effectiveness of place-based partnerships. This required a strategy that was capable of accommodating multiple viewpoints and encouraging a shared learning process.

Saunders *et al.*'s (2012) research onion highlights some of the common research strategies available to the researcher including experiments, surveys, case study and ethnography (Figure 3.1). These strategies can broadly be separated into two groupings termed quantitative and qualitative research which will align with different epistemological, theoretical and methodological approaches. Quantitative research aligns to a positivist stance and is informed by objectivist epistemologies that statistically measure a single or static reality to develop explanations of social behaviours (Krauss and Putra, 2005). As such quantitative methods such as experiments and survey research were considered unsuitable on philosophical grounds given that they assume a single truth that can be measured by adopting a clear hypothesis. Qualitative research design was favoured because it assumes that knowledge is socially constructed and that reality is neither static nor fixed and so aligns with the philosophical position outlined in earlier sections.

Creswell (2013) describes multiple realities that different cultural groups construct on the basis of their world views or value system. As a result, there are multiple interpretations or perspectives on any event or situation and understanding the phenomenon under investigation from the perspectives of the participants involved is essential. Interpretive research tends to apply

qualitative over quantitative methodologies; such as case studies, depth interviews and observations and in looking for a suitable qualitative research design the researcher considered action research defined by Reason and Bradbury as:

a participatory, democratic process concerned with developing practical knowing in the pursuit of worthwhile human purposes, grounded in a participatory worldview which we believe is emerging at this historical moment. It seeks to bring together action and reflection, theory and practice, in participation with others, in the pursuit of practical solutions to issues of pressing concern to people, and more generally the flourishing of individual persons and their communities. (2013: p.1).

Action research was considered because it possessed certain characteristics that made it an attractive approach for this research, including:

- A focus on shared learning and problem-solving (Koshy, 2009; Pine, 2009)
- The use of research tools that are flexible to adaptation to suit the requirements of the research situation (Cooke and Cox, 2005)
- A research process that is cyclical and encourages reflective, inductive learning (Schmuck, 2009)
- A leaning toward practitioners as researchers (Walter, 2009)

However, the strategy has also been the subject of criticisms which needed consideration. Criticisms have included:

- Subjectivity: when left unchecked, the results of action research can be open to criticisms of subjectivity and there is a possibility that personal bias may come into play (Kock, 2004).
- Coercion: researchers may be junior in the organisational setting of study and so power relations can make them vulnerable to being pressured to conclude with findings that fit with the organisation's objectives (Somekh and Zeichner, 2009).
- Time consuming: the cyclical research process refines as the research proceeds and so requires considerable time of the researcher (Walter, 2009)
- Lack of clarity: the fuzzy nature of the methodology and the answers it gets have been questioned (Walter, 2009).

To address these criticisms and given the analogy of the place-based partnerships (LEPs) as a local

entrepreneurial or innovation ecosystems, the researcher moved towards a consideration of systems thinking as an alternative approach. A systems approach would allow the variables within the system that enable and inhibit the partnership to be explored separately but in the understanding that they come together and connect to form a whole that is greater than the sum of its parts (Stowell, 2009). Systems approaches split into hard and soft systems methodologies. Hard systems thinking has evolved from systems analysis and systems engineering where a systems-based process is used to take a problem through to the implementation of change. It assumes clear problems with agreed outcomes (Flood, 2010; Huaxia, 2010) and was considered unsuitable for research into partnerships where the outcome can be less well defined. Soft systems methodologies (SSM) were chosen as a viable alternative to explore the fuzzier problem of England's missing tier of governance with a view to developing a model where the outcome was as yet to be defined (Checkland, 2010). The following sections introduce Soft Systems methodology (section 3.3) and detail its application (section 3.4)

3.3 Introduction to Soft Systems Methodology

'SSM sees (real life) as a complex ongoing flux of interacting events and ideas which unfolds through time. Intervening in that flux, to bring about improvement or social development, calls for an organized process of learning which can absorb and deal with the multiple worldviews which will always be present. SSM seeks to provide such a process' (Checkland, 2010: p. 131).

Local Enterprise Partnerships were created in part to fill the missing space between central and local government to drive economic growth. This missing space is a perennial problem in England and Pugalys and Townsend (2013) reference the multiple corpses of failed policy experiments that pre-date the LEPs. If LEPs are to succeed as place-based partnerships and fill the missing space they need a greater level and consistency of guidance to support long-term strategic planning, development and governance by central and local actors (Pike *et al.*, 2016). This research aims to explore whether there are common factors that enable (and inhibit) LEPs and by developing this knowledge into a conceptual model of place-based partnership, the research will go some way towards filling the gap in understanding.

The study adopts a soft system methodology to guide the empirical research, a methodology that has been widely used as a learning process and development tool to intervene in complex problems (Checkland and Scholes, 1990; Mingers and Taylor, 1992; Checkland, 1999; Checkland and Poulter,

2010). The methodology was developed in the 1970s at the Department of Systems, University of Lancaster out of research conducted to apply systems engineering approaches to solve business and management problems. Checkland's distinction between hard and soft marked an epistemological break from positivism to interpretive systems thinking which has been highlighted as a defining characteristic of SSM (Durant-Law, 2005) which makes SSM a suitable choice for the research paradigm applied to this research.

Checkland contrasts SSM's soft approach of learning with the hard approaches of operations research, systems analysis and systems engineering (Checkland and Holwell 1998, Checkland 2011). Platt and Warwick (1995) note that hard methodologies struggle to support complex human systems where problems are less clearly defined, and their failure to engage individuals who will be affected in the process of finding a solution results in rejection of possible solutions. Checkland (1999) agrees with Platt and Warwick (1995) that systems science is limited in its ability to encompass the complexity of human values where people hold different views of the world – what Checkland refers to as *Weltanschauung* from the German for a particular philosophy or view of life. Soft Systems Methodology was developed to address these limitations and works well in contexts where there are multiple stakeholders who hold divergent views on what constitutes the system and its purpose.

SSM recognises that different individuals will have different perceptions of the situation and preferred outcomes (Checkland, 1999; Checkland and Poulter, 2006; Easton, 2010) and by accommodating these differences in the process of research, SSM can increase the likelihood that the results of any proposed changes will be acceptable to all participants. This is particularly useful when studying partnerships like LEPs that are comprised of multiple partners from difference sectors and geographical locations. Given that one of the outcomes of the research is the Compass of Collaboration - a practitioner tool to guide partnership development, a methodology that enables divergent partners to accept a single model holds appeal.

Identifying potential weakness of SSM is important to concluding whether SSM offers a suitable methodology for this research. Critics of the SSM point to the skills of the analyst and note that one of its key limitations rest on the capability, and adaptability to new situations, of the consultant or researcher (Avison, Golder and Shah, 1992; Brown, 1992; Kreher, 1993). The difficulty of differentiating between the success of the methodology and the expertise in its application is also highlighted in O'Connor's (1992) evaluation of SSM. Soft Systems Methodology has also been challenged on its philosophical standing which can best be described as aligned to interpretivism

and constructivism. As a non-reductionist method which recognises the importance of subjectivity SSM has been open to criticism based on its inductive nature (Mingers and Taylor, 1992; Lane and Oliva, 1998; Flood, 2010).

Consideration has been given to these criticisms and strategies applied to address them are described in Table 3.1.

Table 3.1 Addressing the criticisms of a Soft Systems Methodology

Criticism	Response in this research
Poor understanding of the methodology by the researcher	Thorough review of the literature on SSM was undertaken by the researcher ahead of the data collection
Limited capability of the researcher and ability to adapt to new situation	Researcher has previous experience of qualitative research and fieldwork spanning 20 years
Application can be analyst driven rather than participative	Methodology includes multiple qualitative methods to gather a range of views and a method to authenticate the findings
Open to criticism related to its subjectivity given SSM adopts an interpretive philosophy and is inductive	Methods to ensure the validity of the results include the triangulation of data

Source: Author's Own

Having introduced SSM and addressed the concerns, this section now offers an overview of how the methodology has evolved since its conception and how it can be applied by researchers. In early applications, Checkland and colleagues adopted a pragmatic approach to the identification of 'real world' problems and developed a set of tools to help users carry out a series of steps to find action for improvement. The classic SSM inquiry (known as Mode 1) had seven stages conducted in both the 'real world' by people involved in activity designed to address problematic situations and the

‘conceptual world’ where the researcher or analyst moved to undertake systems thinking to find improvements to the problematic situations, summarised in Figure 3.2.

Figure 3.2 Soft Systems Methodology mode 1 in summary

Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

Source: Checkland, 1981.

The first two steps are taken in the ‘real world’ and involve defining a situation that is perceived to be problematic with scope for improvement. By capturing information to understand the problem in greater detail, the situation is summarised in a visual sketch termed a ‘Rich Picture’. Checkland argued that complex situations could not be described only in words, and found informal pictures to be a more effective means of recording a problem situation (Checkland and Poulter, 2006). At Step 3 and 4 the researcher enters the conceptual world to systems thinking and using the information collated in the ‘Rich Picture’ starts to choose one or more short descriptions of the real world to model in the succeeding stages. These are referred to as the ‘Root Definitions’ of potential systems for improvement and from here the researcher builds a conceptual model that in some

way seeks to address the problematic situation (Checkland, 1981). Rather like the 'Rich Pictures', the presentation of the conceptual models is encouraged to take a visual form.

Step 5 onwards involves a return to the real world by using the conceptual model to facilitate discussion and debate with participants about its suitability and check whether the model would work (Checkland, 1981). Checkland and Poulter (2006) stressed the need for the solutions to be both feasible and desirable to participants and the checking and comparison of the conceptual model with the real world was encouraged in a variety of ways including informal discussion and formal questioning. Having verified with local participants potential changes to the model in Step 6, the final stage in Step 7 involved acting to implement any changes required.

The methodology evolved since its early applications in the 1970s following its use by a wide range of groups across numerous sectors and different countries (Checkland and Scholes, 1990). The seven-staged approach whilst still valid, is no longer perceived as a series of problem-solving steps but rather as a logic-based stream of analysis with time encouraged for reflection. Mode 2 as it is known applies SSM as a learning process which entails four main activities shown in Figure 3.3.

The research undertaken with LEPs followed Mode 2: finding out about the problem situation; building a relevant model of purposeful activity; use of the model to question the real world in order to define improvements; and consideration of the whether the implementation of the model is both feasible and desirable.

Figure 3.3 Soft Systems Methodology mode 2 in summary

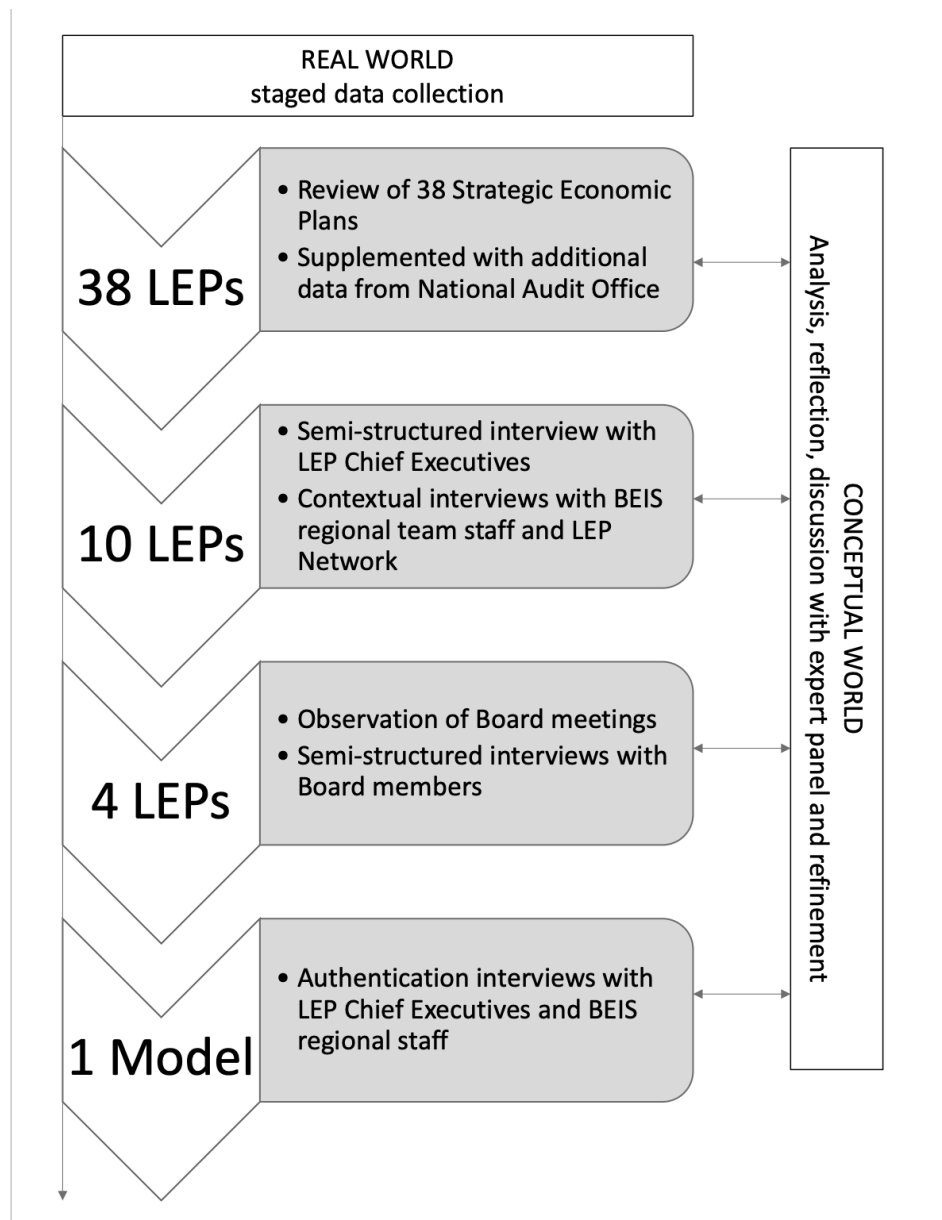
Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

Source: Checkland and Winter 2006: p.1436

3.4 Overview of the data collection strategy

Having outlined the choices made in relation to the overarching methodological design for the study, this chapter now moves to describe the application of SSM to data collection and details the multiple methods chosen. To guide the empirical research, a layered approach to data collection was adopted. Based on the review of literature presented in chapter 2, the researcher drafted a 'Rich Picture' to visually summarise the problematic situation of the difficulties experienced in filling missing space between central and local government to drive economic growth (presented in chapter 4). A synthesis of the literature provided an early conceptual model for place-based partnership (also presented in chapter 4) that was used as a device to structure the empirical research. To compare the model with the real world of place-based partnerships, primary research was undertaken with LEPs through several layers of data collection summarised in Figure 3.4.

Figure 3.4 Layered approach to data collection



Source: Author's Own

This enabled the researcher to discuss and observe the model in the real world of the LEPs whilst moving back into the conceptual world to analyse and reflect on the developing model in order to reach agreement on the final version – the Compass of Collaboration. Each stage of data collection is now detailed to explain the method choices, application and changes made.

3.4.1 Expert panel

To gather feedback and validation on the research at key points, a small group of practitioner

experts were invited to comment on the study. One of the areas of contribution to knowledge within the study is the conceptual model of place-based partnership termed the Compass of Collaboration that is intended to be of value to a policy, practitioner and academic audience and so it was considered essential to establish a means to capture expert views and feedback early on. This is recognised as good practice in terms of achieving methodological rigour and the researcher's approach drew on the principles of the Delphi method whereby a group of experts who were in a position to offer sound observations on the study were invited to comment.

The Delphi method, designed in the 1950s, enables a structured process of eliciting expert opinion (Gibson and Miller, 1990). Sullivan and Payne (2011) summarise the three main sub-types of Delphi as Classical Delphi, Policy Delphi and the Decision Delphi. Both the Classical and Policy Delphi aim to describe the world, whereas the Decision Delphi aims to prepare, assist, and make decisions by using decision-makers in that process. However, Sullivan and Payne also recognised that as the method evolved, the term Delphi came to be used as an all-encompassing term to describe a process of eliciting expert opinion. For the purpose of this research, the Delphi method was applied in this form whereby a number of experts were approached to comment in particular on the research design and methods.

The choice of experts was made primarily on their ability to comment on the research but also from a practical point of view, the researcher drew on established contacts across the Midlands and a number of LEP Chief Executives were approached and asked to engage in a virtual anonymous panel from January 2016 onwards. The LEP Network, which represents all LEPs, were also consulted in March 2016 and revisited at key points during the study. The expert panel provided an invaluable forum for feedback and comment particularly in the early stages of the study which helped to secure practitioner buy-in to the study. This is reflected in the high level of engagement in the empirical research by the LEPs contacted.

3.4.2 Desk-based review of LEP strategic economic plans

In June 2013, following the Spending Review, the Government set out its requirements for LEPs to develop a multi-year local Strategic Economic Plan (SEP) by March 2014. To build an initial picture of the LEPs and the variability amongst them, a copy of each of the SEPs was accessed directly via individual LEP websites. Where the document was not available, a copy was accessed via the LEP Network who held a copy of all plans on their website. In all cases the SEP had been published in March 2014 and laid out the partnership's plans for growth in the short to mid/ long term. The only

exception to this was the London Enterprise Panel that did not have a SEP available at the time of the analysis and so the Local Growth Deal for London (March 2014) was reviewed as a suitable alternative. The SEP was chosen because it provided the most comprehensive document of each of the LEPs and detailed their economic plans.

To record the findings in a consistent manner given the number of LEPs under review, a database was created in Excel to record and compare a range of information. Initially some background information on the LEPs was recorded including the scale of the LEP in terms of local authority areas covered, and the total resident and working population. Where this data was not available from the SEP the Office of National Statistics data for 2015 was recorded. A note was also made of the LEP typology according to a categorisation created by Buckinghamshire LEP in 2014. Based on comparative performance across a range of indicators, all LEPs were ranked against a series of indicators, including GVA per capita, industrial structure, export orientation, demography, public sector orientation, business size, population density and new firm formation (BTVLEP, 2014). This data was used to group LEPs according to similar levels of performance and LEPs were categorised in one of 5 groupings: Producing Places, Small state/ small firm, Rural Economies, Core cities and London.

Data was recorded on each of the Key Performance Indicators (KPIs) adopted by the SEPs to guide their delivery and a note made of the baseline and target figures if these were explicitly stated along with the date for achievement of these targets. A range of data in the public domain was used to supplement the information taken from the SEP to further explore each LEP in relation to a broad number of metrics including value of Growth Deal funding and key performance outcomes such as Gross Value Added, skills, job creation and business creation. Evidence was also noted against the factors of the conceptual model and the results of the review are presented in chapter 5.

3.4.3 Semi-structured interviews with 10 LEPs

A reliance on secondary data was of limited value because it provided a two-dimensional profile of the LEPs that failed to engage and capture different worldviews, a key element of SSM. As such there was a need to engage the LEPs to a greater extent through the collection of primary data. To move beyond the desk-based review it was necessary to secure the involvement and engagement of LEP representatives who could offer their views on the progress of their LEPs and the factors that contributed to and hindered their progress. Several data collection methods were available to achieve this that, depending on their philosophical stance, could be grouped into those that were

largely objective and quantitative to those that were more subjective and qualitative summarised in Table 3.2.

Table 3.2 Subjective to objective methodology and methods

Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

Source: Adapted from Burrell and Morgan, 1979.

SSM requires the collation of multiple views and active engagement of participants involved in the problematic situation which requires the collection of depth data from LEPs to understand the factors that inhibit and enable their effectiveness. Sufficient time also needed to be built into the research design to develop, refine and authenticate the model. To provide the breadth of detail a large-scale survey of all LEPs was considered but discounted. Large scale online surveys pose problems in relation to their low response rates as well as their inability to collect sufficient depth of data (Sayer, 1992, 2004; Denzin and Lincoln, 2011; Saunders and Thornhill, 2012). A large-scale survey would have also required substantial time resource unless administered online as a structured questionnaire. However, an online structured survey whilst addressing the time pressure would not allow for open ended lines of enquiry essential to the gathering of depth information. Feedback from the expert panel also indicated a preference amongst some LEPs for a more in-depth telephone interview. This method has several benefits but also presents some issues; the advantages and disadvantages of the two methods are summarised in Table 3.3.

Table 3.3 Advantages and disadvantages of large scale surveys over a sample of depth interviews

Large scale survey of all LEPs		Sample of depth interviews	
Pros	Cons	Pros	Cons
Opportunity to survey the whole LEP population which increases the representativeness of the study	Low response rates are likely	Smaller sample increases chance of a good response rate	Need to sample from the 38 which may present issues with generalisability
Closed questions allows for a consistent line of enquiry, and more precise measurements	Closed questions do not allow for the collection of depth information and lack flexibility and opportunity to engage with research participants	Open ended questions and semi-structured approach allows depth data to be gathered	Researcher competence required to build a rapport with the interviewee
Greater objectivity implies greater reliability	Difficult to factor in the secondary analysis and tailor the survey to each LEP without considerable routing of the survey	Will enable lines of questioning to be tailored to individual LEPs and draw on the secondary analysis	Researcher competence required to actively listen and probe accordingly
Greater objectivity implies greater validity	Aligned to an objectivist philosophy which doesn't fit the stance of this research	Aligned more towards the interpretivist philosophy	Open to criticism with regard to validity and reliability

Source: Author's own drawing on Silverman (2013), Miles and Huberman (1994), Marshall and Rossman (1999).

The large-scale survey was rejected in favour of a series of semi-structured interviews with LEP Chief Executives to allow the researcher to gather sufficient depth of data. To address the time

constraints and ensure that a detailed picture was established it was necessary to limit the sample of LEPs from 38 interviews to a smaller more manageable sample drawn from the initial analysis. One of the criticisms of the entrepreneurial ecosystem literature is the lack of studies that adopt a comparative or multi-scalar perspective (Alvedalen and Boschma, 2017) and so the researcher wanted to include a number of LEPs to address this gap in the empirical literature. Within the sample it was preferable to include a mix of LEP typologies to ensure different perspectives were gathered. To achieve this two geographical clusters of LEPs were considered: those within the Northern Powerhouse and those within the Midlands Engine. Both comprised 10 LEPs and both included a mix of typologies amongst them (BTVLEP, 2014). On a practical level, given the links already established by the researcher, the location of the study the Midlands Engine was selected as this could potentially ease access to research participants.

The Midlands Engine initiative aims to create an engine for growth across the East and West Midlands. Its geography was set by government in 2015 and covers 86 local authorities and 11 LEPs, although since its creation two of the LEPs merged (Northamptonshire and South East Midlands). The 10 LEPs and their corresponding typology are:

- Black Country LEP (Producing Places)
- Coventry and Warwickshire LEP (Producing Places)
- D2N2 (Derby & Derbyshire, Nottingham & Nottinghamshire) LEP (Core Cities)
- Greater Birmingham and Solihull LEP (Core Cities)
- Greater Lincolnshire LEP (Rural)
- Leicester and Leicestershire LEP (Producing Places)
- The Marches LEP (Rural)
- South East Midlands LEP (Small state small firm)
- Stoke-on-Trent and Staffordshire LEP (Producing Places)
- Worcestershire LEP (Producing Places)

The interviews were designed to be undertaken initially with the Chief Executive in the expectation that they would have a solid and detailed understanding and broad overview of their LEP. Each LEP was contacted via email and provided with an information sheet and consent form (Appendix C for copies of research tools) and invited to participate in an interview. Providing participants with relevant information in advance of the interview enabled them to consider the issues to be discussed and allowed them opportunity to gather supporting documentation where appropriate. This goes some way towards establishing credibility and minimising bias (Miles and Huberman,

1994; Marshall and Rossman, 1999). A semi-structured interview schedule was designed and piloted with a member of the expert panel and changes subsequently made before going into field. Feedback from the pilot suggested that the length of the schedule was an issue as most interviewees would be likely to have a maximum of an hour for the interview. The schedule was reduced in length by prioritisation of the key questions and by sourcing background information ahead of the interview. This avoided asking interviewees for standard information that was already in the public domain and allowed more time to focus on their views and opinions. An indicative time allocation was also added to each section of the schedule to keep the interview on track. Key areas of questioning were highlighted for prioritisation in the event of an interviewee having less than the hour available for the interview.

The schedule, whilst structured to a degree, was designed as a guide to the conversation (Patton, 2002). It was tailored to each of the 10 LEPs prior to the interview based on the information gathered in early stages. This allowed for a consistent approach to data collection to enable comparison whilst also offering flexibility to explore topics introduced by interviewees and ensuring that key research questions were covered in sufficient detail. As a result, following the changes made after the pilot no further updates to the schedule were made.

The interviews took place during September and October 2016 and in all cases, with respondents' permission, the researcher digitally recorded the interview and a full transcript was produced for analysis shortly after the interview to ensure that data and details were transcribed and recorded accurately while they remained in recent memory (Roulston, 2010; Brinkmann, 2013). In most cases interviews were conducted face to face at the office of the LEP Chief Executive or at a local venue chosen by them. However, in three cases the interview was carried out over the telephone. Telephone interviews have been criticised for being less suitable than face to face interviews when trying to generate rich qualitative data because of a lack of personal contact which may restrict the rapport between the interviewer and interviewee (Gillham, 2005; Yeo, *et al.* 2013). However, there are numerous advantages of telephone interviews including time and cost savings and establishing greater anonymity around sensitive topics (Irvine, Drew and Sainsbury, 2013). To address the criticisms, Shuy (2011) encourages researchers to gather information that would allow for a comparison of the two methods so that they can establish what may be missing or gained when telephone as opposed to face to face interviewing. To achieve this, a comparison of the two modes of transcribed interviews was undertaken to ensure sufficient data had been collected and no discrepancies were found. One of the telephone interviews was with a LEP Chief Executive who was

also on the expert panel and so a face to face rapport has already been established with this individual. The other two telephone interviews were of a similar length and style to those undertaken face to face and so were not regarded in any way inferior.

In addition to the interviews conducted with the 10 LEP Chief Executives a number of contextual interviews with related institutions took place. A key component of Soft Systems Methodology involves the collation of different worldviews and so in addition to the LEP Chief Executive interviews, representatives from the Department of Business, Energy and Industrial Strategy (BEIS) and the LEP Network were interviewed. BEIS staff were included because this was the government department at the time that had oversight of the work of the LEPs and was responsible for the allocation of the Local Growth Funds. Staff based within the regional offices of the East and West Midlands were interviewed. The LEP Network brings together the views of all LEPs as a forum to engage with government and a member of their staff was interviewed. These interviews offered a useful point of comparison and a means of validating the information provided by the individual LEPs.

The interview schedule was guided in part by the key factors that enabled and inhibited partnership working drawn from the literature review (these will be discussed in greater detail in chapter 4) although the schedule was also open to respondents providing additional factors so as not to lead the questioning (a full version of the schedule is provided in Appendix C). The data from the interviews provided another perspective or 'worldview' (Checkland and Poulter 2006, 2010) of the place-based partnership to supplement the desk-based review; and this was used to build a more detailed analysis and understanding of the factors that enabled and inhibited each of the 10 LEPs. The results of this analysis are presented in chapter 5.

3.4.4 Four LEP case studies

Soft Systems Methodology encourages further exploration and discussion of the developing conceptual model in situ and so to explore and refine the model further, observation and participation of a diverse range of LEP partners was needed. Given time constraints, a full exploration of the 10 LEPs would have been problematic and so a further reduction in the number was required which lends itself to a case study design. There are broadly two key approaches that guide case study methodology; one proposed by Stake (1995, 2000) and the second by Yin (1984, 2009) and although there is a difference in the way they describe the methodology, both base their approach on an interpretive paradigm which fits well with this research.

There were several other advantages to using case studies in this research. The examination of the conceptual model (presented in chapter 4) could be conducted within the context of its use (Yin, 2009), that is, within a LEP. Further, the detailed accounts produced through the case studies not only helped to explore and describe the conceptual model in a real context but helped to explain the complexities of partnership working in a way that could not be captured through more quantitative approaches such as surveys. As such a case study approach to review and refine the conceptual model was favoured because it gave access to rich sources of data beyond the broadly numerical.

Despite these advantages, case studies have received criticisms that are worth noting. Case studies are often accused of lacking in rigour. Yin notes that ‘too many times, the case study investigator has been sloppy, and has allowed equivocal evidence or biased views to influence the direction of the findings and conclusions’ (1984: p.21). Case studies have been criticised for their lack of generalisation since they often use a limited number of participants, and because the process of conducting case studies is considered long and difficult there is a risk of producing a mass of data and documentation that is not managed in a systematic way (Yin, 1984). The application of Soft Systems Methodology offers a tested and established approach that goes some way to addressing these concerns but to address to each criticism Table 3.4 summarises the researcher’s response covered in greater detail in the following sections.

Table 3.4 Responding to the criticism of case study research design

Criticisms highlighted by Yin	Response
Too few subjects to be generalised	Multiple case study design was selected and guidance on subject/ interviewee number was followed
Long winded with huge amounts of data	Parameters were set to bound the data collection and use of NVivo helped to organise the study
Sloppy investigation by case researcher open to criticism of bias	SSM provides guidance on recoverability and validity and this was followed

Source: Author’s own drawing on Yin, 1984.

A decision was taken on the type of case study design suitable for this research. Yin and Stake use

different terms to describe a variety of case study designs with considerable overlap. Yin categorises case studies as explanatory, exploratory, or descriptive. He also differentiates between single and multiple case studies. Stake identifies case studies as intrinsic, instrumental, or collective. Table 3.5 offers a summary of the types and their applicability to this research.

Table 3.5 Consideration of Yin and Stake's categorisation of case study design

Case Study Type	Definition	Applicability to this research
Explanatory	Case study seeks to explain causal links in interventions that would be too complex for a survey or other quantitative strategy. The study aims to link implementation with effect and impact.	Low - Would work well if the unit of analysis was the process of adopting the model
Exploratory	Case study seeks to explore those situations in which an intervention being evaluated has no clear, single set of outcomes	Low - Would work well if the unit of analysis was the process of adopting the model
Descriptive	Case study seeks to describe an intervention or phenomenon and the real-life context in which it occurred	Low - Would work well if the unit of analysis was a single LEP and are not looking to extract learning for others
Multiple-case studies	Case study seeks to explore differences within and between cases. The goal is to replicate findings across cases. Because comparisons will be drawn, it is imperative that the cases are chosen carefully so that the researcher can predict similar results across cases, or predict contrasting results based on a theory	High - Would work well if the unit of analysis was process or LEP and looking to understand the difference and commonality in how the model might develop and be applied

Case Study Type	Definition	Applicability to this research
Intrinsic	Suitable when the researcher has a genuine interest in the case because in all its particularity and ordinariness, the case itself is of interest.	Low - Would work well if the unit of analysis was a single LEP
Instrumental	Allows the researcher to look beyond the case for insight into an issue or to help refine theory	High - Would work well if the unit of analysis was process or LEPs and looked to understand the how the model develops and might be applied
Collective	Offer the opportunity to multiply the effect of the intrinsic and instrumental in the same way that multiple case studies do	High - Would work well if the unit of analysis was process or LEPs and looked to understand the how the model is developed and applied

Source: Author's Own drawing on adapted from Baxter and Jack, 2008.

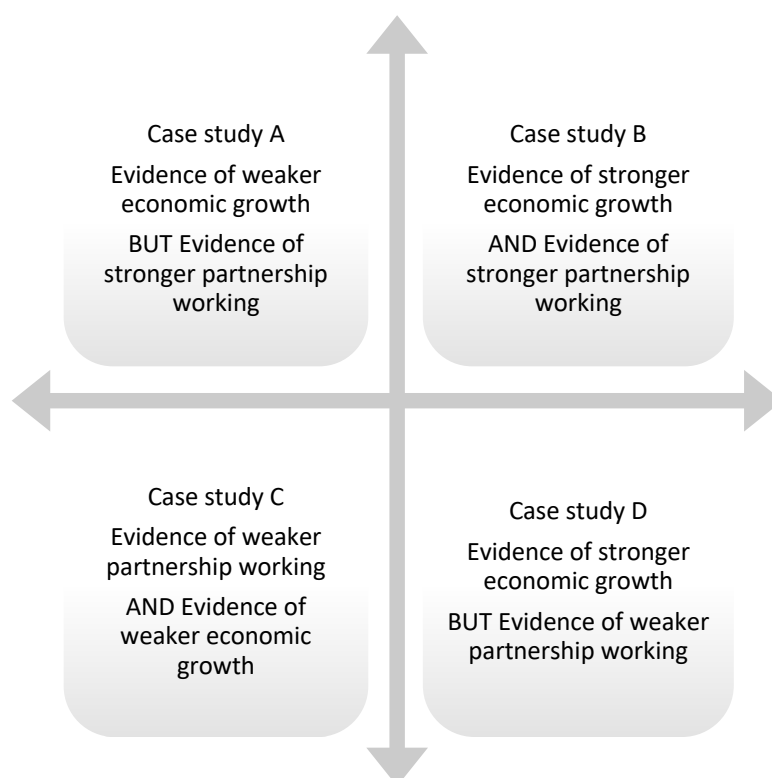
A multiple or collective instrumental case study design was favoured as it allowed the researcher to gain an understanding of issues beyond the individual cases and develop the conceptual model by drawing on a range of different LEP contexts through exploration of the similarities and differences between them. To facilitate this enquiry several types of partnership needed to be identified to form the basis of the case study selection.

The theoretical framework for this research rest on the belief that a partnership approach across a geographically defined economic ecosystem will result in improved growth. Whilst it is beyond the scope of this research to demonstrate a correlation between LEPs that display the characteristics of effective partnerships and those that achieve stronger local growth it was of interest to use the

theoretical framework and the different typologies within as the basis for the selection of the cases. As such, four cases that incorporated combinations of lower and higher economic growth outputs and stronger and weaker examples of partnership effectiveness needed to be selected (Figure 3.4).

This selection was based on assessment of the data collected on the 10 LEPs and chapter 5 provides a detailed analysis of the selection process of the four case studies.

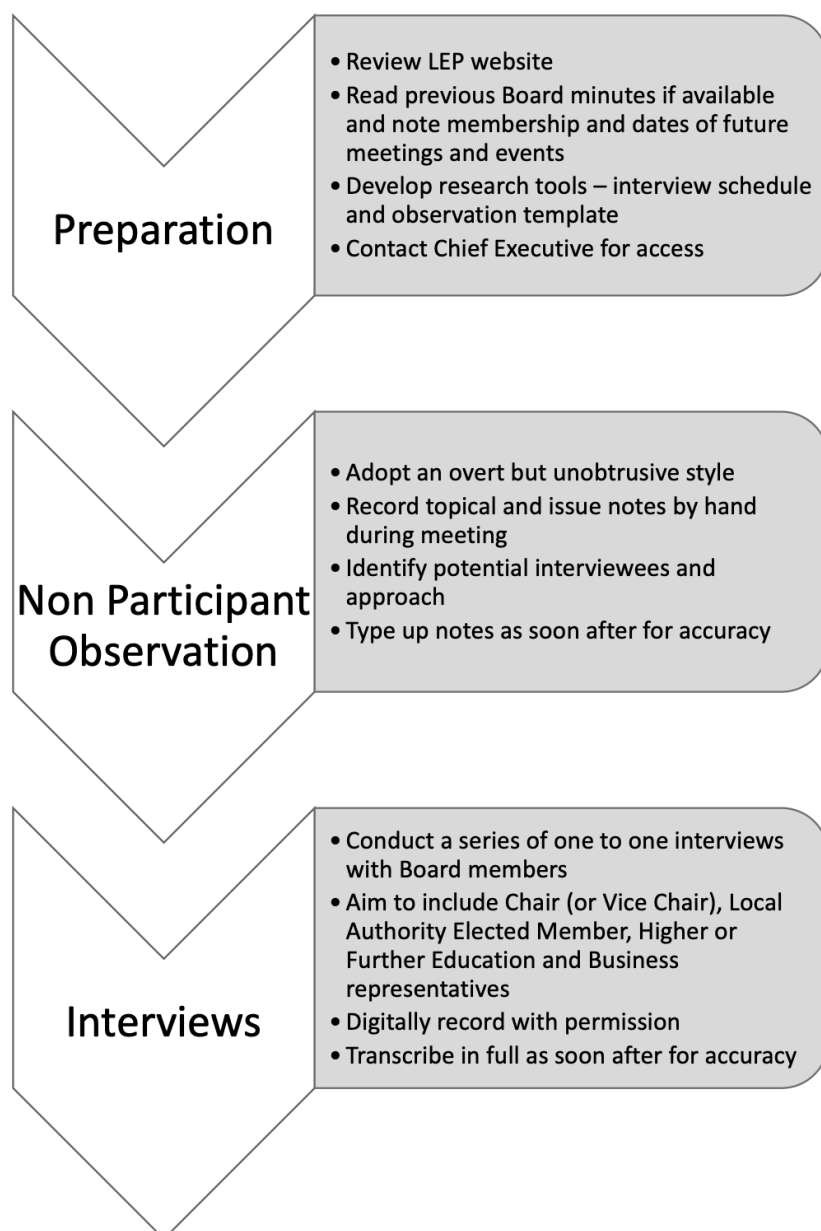
Figure 3.4: Proposed LEP case studies



The four cases were instrumental in providing a means to explore and refine the conceptual model of place-based partnership. By providing the researcher with the opportunity to observe and discuss a number of LEPs in situ, data could be collected and analysed to develop a more detailed understanding of the model's feasibility, suitability and desirability and from therein the researcher could refine the set of factors through thematic cross-case analysis. Case studies are bounded systems (Stake, 1995) and in this research the bounding applied geographically accordingly to each of the LEP's physical boundaries whilst acknowledging the influence of the wider context. Each case study was also time-bound by means of a start and end date for the research. In order to produce an effective case study, sufficiently detailed and in-depth data was required which called for a multi-

method approach to collecting different kinds of evidence (Gillham, 2000). There were three stages to the data collection process summarised in Figure 3.5 with each stage then described in turn.

Figure 3.5 Stages of case study data collection



Source: Author's own

3.4.5 Preparation

Ahead of contacting the four LEPs, the researcher had the benefit of accessing documentation that

was in the public domain. LEPs have been criticised for a lack of transparency both by Audit Commission (NAO, 2016a) but also in popular press (Daily Mail, Dec 5 2016, April 10 2017), and a common response has been to publish details of meetings, agenda and minutes online. The Mary Ney Review (DCLG, 2017) and ministerial review (MHCLG, 2018) have gone further and encouraged a strengthening of and additional clarity in the National Assurance Framework for LEPs and so with a wealth of material already in the public domain, the documentation review afforded the opportunity to explore and understand each case without disturbing it (Stake, 1995). Each of the four cases had already been asked whether they were willing to be contacted again during the preliminary round of Chief Executive interviews and all four were positive about continuing to support the research.

The lead contact was contacted via email and provided with a one-page summary that stipulated the ongoing research requirements. These included providing opportunities for the observation of LEP board meetings and other events as well as facilitating additional interviews with a range of board members. To help guide the process of collection and ensure consistency, observation records and interview schedules were developed that followed consistent lines of enquiry (these are included in Appendix C).

3.4.6 Non participant observation

Observation entails the systematic noting and recording of complex interactions in the setting chosen for the study and as Marshall and Rossman (2015) note is a method that requires a lot of the researcher to retain a relatively unobtrusive role and identify the bigger picture from the fast-moving and complex behaviour. Stake (1995) calls for researchers to select observations pertinent to the issues and as the case concerned the factors influencing the effectiveness of the partnership, observations of those partnerships in operation at formal board meetings was chosen.

There are a number of limitations of the method of observation summarised in Table 3.6. The researcher sought to mitigate these concerns and a response to each criticism is provided.

Table 3.6 Responding to criticisms of the observation method

Criticism	Response
The observer/ Hawthorn effect: this occurs when the presence of the researcher affects the	Non-participant approach favoured to

Criticism	Response
participants' actions.	maintain an unobtrusive style of engagement
The objectivity of the observer: the researcher is open to criticism of bias	Researcher adopts a systematic and rigorous approach to data collection.
Selectivity: The observation can never capture everything.	Observing more than one meeting per LEP and extending the data collection for as long a period as possible.

Source: Author's own drawing on Spradley, 1980; Adler and Adler, 1994; Marshall and Rossman, 2015.

Liu and Maitlis (2010) comment that observation should be completed when theoretical saturation is reached – the point when additional observations add nothing new to the researcher's knowledge. For each case study, the data collection window was extended to allow for the observation of two full board meetings for each LEP and this was supplemented with other open access events including breakfast events and annual general meetings. The inclusion of two board meetings for each LEP allowed the researcher to compare and ensure the meetings observed were common examples.

The researcher maintained a non-participative, overt but unobtrusive approach to the observation of board meetings. Non-participation was favoured over a more participative approach for reasons of increased validity and reliability (Adler and Adler, 1994). In this manner the case could be observed operating as if the researcher was not there. Participant observation would have required the researcher to take a greater role and in so doing risk changing the group's behaviour. To achieve a non-participative approach, once permission had been granted to attend the board meeting, on arrival the researcher sat at the back of the meeting and did not engage with any board members. Conscious that their presence *per se* would influence the meetings, it was important to apply non-intervention principles as closely as possible, including minimal or no interaction between the observer and the observed (Spradley, 1980). In this way, the researcher's role in the research could remain neutral and non-interventionist reducing the potential for bias. In the meeting, an effort was made by the researcher to avoid drawing unnecessary attention to themselves so that proceedings could be observed as if the researcher not been there. Observation continued long

enough to enable the researcher to comprehend what ordinary meant for each of the four LEPs and in each case every effort was made to not disturb the case in each of observation of it (Stake, 1995). Whilst at the meeting consideration was given to the choice of seat taken, to the process of note taking to ensure it was not too obvious and every effort was made to avoid active participation in the proceedings. The only exception was that on some occasions the researcher was asked to introduce themselves and say a few words about the PhD study or was introduced by the chair. When this was the case the introduction was kept short and simple.

The observation process followed a three-stage funnel beginning with descriptive observation, whereby a broad observation was undertaken to get an overview of the setting. This included noting the location and layout of the room, the seating plan where one was provided, the number of attendees and where each sat. The researcher then moved to a more focused observation, in which attention was paid to a narrower portion of activities such as the number and nature of people who actively engaged as opposed to sat back during the meeting, and then selected observation, whereby examples and absence of the key criteria covered by the LEP conceptual model were noted.

Observations were recorded in a field note sheet which included topical questions to collect the descriptive data on the meeting including total number of attendees, gender split, agency split and where people were positioned in relationship to one another. The tool also allowed the researcher to record subjective responses to what was observed across each of the criteria of the model. The notes were hand written discreetly during the observation and subsequently expanded upon soon after when they were written up in electronic form.

3.4.7 Semi-structured interviews

A qualitative case study researcher aims to capture multiple realities, including similar and contradictory views of the situation (Stake, 1995). To achieve this the observations were supplemented by semi-structured interviews to add greater depth and multiple perspectives on the conceptual model. It is vital in case study research to access appropriate participants, whose identity was relevant to the line of enquiry (Yin, 2003). Selection of interviewees for this research was informed by the Triple Helix theory presented in chapter 2 (section 2.3.4) which identifies the key anchors within an ecosystem as business, the local authority and higher education. As such, for each LEP a senior representative from business, higher education and a local authority elected member representative were selected in addition to the chair of the board. Where a representative

from higher education was not available a board member from a further education institution was chosen as a suitable alternative. The interviewees were selected by the researcher to reduce bias and the selection was made after the first board observation once the researcher had gained an insight into suitable interviewees. Each interviewee was contacted via email and provided with a participant information sheet and consent form (Appendix C for copy).

The semi-structured interviews were focused around the key factors of the conceptual model presented in chapter 4 but were open to lines of enquiry at the start and end of the schedule to allow respondents to discuss issues they perceived as having an enabling or inhibiting influence on their partnership. The interviews were mainly conducted over the telephone and addressed all the topics listed in the interview guide. Follow-up questions were asked to gather the participants' full knowledge and experience and participants were probed to elaborate their responses. Each interview was recorded on an audio recorder with the permission of the interviewee and transcribed as soon as possible.

3.5 Data analysis

O'Reilly and Parker (2012) point to confusion in the literature regarding different terms used to describe saturation which include thematic, data, theoretical, descriptive. They separate saturation into data or thematic saturation and theoretical saturation. Data or thematic saturation occurs when no more patterns or themes emerge from the analysis. Theoretical saturation occurs when codes are fully accounted, differences between them explained and relationships tested and validated resulting in an emerging theory.

Data collection in this research follows O'Reilly and Parker's thematic saturation and continued until the researcher was confident that no more themes or patterns were emerging from the data. Across the sources this equated to a total of 35 interviews and 12 observations of LEP meetings and events. As Bowen (2008) explains the focus here was less on sample size and more on sample adequacy.

Moving on to the method of analysis, Marshall and Rossman (2015) suggest that qualitative data analysis is the process of:

'...bringing order, structure and interpretation to the mass of collected data. ... It is the search for general statements about relationships among categories of data ... it is the search among data to identify content (2015: p.150).

This research has applied thematic analysis which is compatible with the interpretivist paradigm adopted throughout and as Braun and Clarke (2006) highlight is a method that works both to reflect reality and to unpick or unravel the surface of reality. As such it provided a good fit and through its theoretical freedom offered a flexible tool to provide a rich and detailed account of the data. Following the Soft Systems Methodology, data collection and analysis have taken place concurrently to encourage ongoing analysis and reflection (Checkland and Poulter, 2010, 2006) and so there was a stronger methodological argument to reviewing, coding and analysing each layer separately to understand how each stage of analysis impacted on the research questions and the development of the conceptual model of place-based partnership. This also enabled the researcher to be confident in drawing a line under the data collection in terms of reaching saturation point. From here on in the analysis process has followed Marshall and Rossman's (2015) phases and the following sections take each in turn.

The first task of thematic analysis involved familiarisation with the data which was an essential part of ensuring the validity of the analysis. To achieve this interviews (that typically lasted an hour each) were transcribed as soon as possible after the interview took place. Each transcription took around four hours to transcribe and the audio files were listened to several times following each interview. Once transcribed the data transcripts were also read a number of times as a strategy to ensure a rigorous approach to analysis and accuracy of the interpretation (Baxter and Jack, 2008). There was also the practical issue of organising the data and given the breadth of information, the decision was taken early in the research design to use NVivo – a Computer Aided Qualitative Data Analysis Software (CAQDAS). CAQDAS aids the researcher in their search for an accurate and transparent picture of the data whilst also providing an audit trail of the collection and analysis process as a whole—something often been missing in accounts of qualitative research that can leave them open to criticism of subjectivity (Welsh, 2002). The advantage of using this software was that it enabled the variety of forms of raw data including documents, observation notes and transcription file to be stored in a single repository which increased the reliability of the study by enabling the researcher to track and organise a host of data sources (Bazeley and Jackson, 2007)

Apart from the desk-based review of the 38 LEPs, through each of the remaining stages of analysis the mass of qualitative data in the form of interview transcripts and observation notes was organised using coding to draw out themes. Themes within the data can primarily be identified in one of two ways. Firstly in an inductive or 'bottom-up' approach the researcher does not try to apply a pre-existing coding frame, or the researcher's analytic preconceptions, on the data and so

themes identified are said to be strongly linked to the data themselves (Patton, 2002; Braun and Clarke, 2006). In contrast, 'theoretical' thematic analysis is guided by the researcher's theoretical or analytic interest in the data. In this approach the analysis provides a detailed analysis of some aspects of the data as opposed to a rich description of the data overall. In this research the conceptual model comprised six factors of place-based partnership which provided the initial coding framework for the analysis but open and inductive coding was also encouraged as an approach to theme identification (Braun and Clarke, 2006).

The interview transcripts and observation notes were coded whereby all data was carefully read, all statements relating to the research objectives identified and each assigned a code. Marshall and Rossman (2015) encourage codes to be internally consistent and externally divergent, meaning each category needed to link together things that were the same as each other but be distinct from other codes. To avoid the creation of too many codes the principles of Miles and Huberman (1994) were applied whereby each code needed to be:

- Valid, that is they needed to accurately reflect what was being researched.
- Mutually exclusive, codes were distinct, with no overlap.
- Exhaustive, all relevant data could fit into a code.

The conceptual model of place-based partnership provided an initial coding framework to ensure these principles were adhered to and each relevant statement was organised under the appropriate code within the framework. Open coding allowed for additional themes to be added applying a bottom-up, inductive style. Once the open coding was completed more selective coding followed which involved reading the data for examples that illustrated the analysis and explained the key developing concepts. This stage looked for data that was contradictory, as well as confirmatory which ensured that the analysis followed a focused approach that avoided the temptation to analyse data outside of the scope of the research question (Yin, 2003). It was important not to be selective in choosing data to avoid confirmation bias - that is the tendency to seek out and report data that supports my own ideas about the key findings of the study. As such the researcher needed to ensure they were not 'blinded' by the conceptual model which was intended as a framework for the analysis. It was crucial to look for statements that not only supported the developing ideas and model, but also refuted them (Marshall and Rossman, 2015).

Once the codes were populated, some kind of understanding of the data began to emerge, including the development of theoretical constructs. Silverman notes (2006) that the qualitative

data analyst will start to get a sense of 'what the data means' and place the data in a context of theory: applying either established theory or new theory. To draw conclusions from the mass of qualitative data, Miles and Huberman (1994) encourage the display of data in the form of tables and other graphical formats. SSM also encourages the production of visual 'Rich Pictures' *'to display the situation so that a range of possible and, hopefully, relevant choices can be revealed'* (Checkland 1981: p.166). There is a central 'Rich Picture' in this research that summarises the research problem (see chapter 4). The use of the sketch note allows complex and multiple views to be expressed visually and the researcher explored various software packages to aid presentation including Adobe InDesign and Illustrator but neither were suitable. Checkland and Scholes (1990) state that 'there is no formal technique or classic form for this [drawing 'Rich Pictures']', and skill in drawing is by no means essential (though it's not a hindrance!) in the production of pictures (1990: p.45) and so the researcher adopted a freehand sketch note style to display the 'Rich Picture'. In addition to the 'Rich Picture' the findings are supported by the display of quotes drawn from the interviews. To avoid the over-use of quotes direct quotes or observations are only included when they describe a theme well or provide an instance that is unusual or unexpected.

3.6 Authentication: verification and validation

The main problem that arises in the writing of qualitative data analysis concerns the relative weight of the researcher's interpretation. While it is clear from what has been written so far that qualitative data analysis is all about interpretation, approaches such as grounded theory attempt to minimise the researcher's voice, creating an objective or realist account by focusing on the meanings that the participants use, as opposed to those imposed by the researcher. This approach is criticised by constructionists, who argue that all analysis is inevitably a work of interpretation, and that for reasons of honesty, writing-up should make this clear. This section explains how this research has approached the verification of the research findings.

The research applied a SSM approach to authenticating and verifying the analysis. Checkland and Holwell (1998) recognised that qualitative researchers are limited in the claims they can make for the validity of their approach given that repeatability is not possible or feasible in qualitative studies like this one where each situation is unique. As such the research cannot aspire to the 'powerful criterion for judging the validity of the result which characterises the natural sciences (Checkland, 2006: p.770).

However, Checkland calls for researchers to do 'better than simply produce a plausible story' by

ensuring their studies are recoverable (2011: p.500). One means highlighted as an aid achieving recoverability is the requirement to state at the outset the research epistemology. By being clear on this set of ideas and how they are used methodologically to make sense of the research, the researcher goes some way to ensuring the validity of their findings. This has been covered previously in this chapter in Section 3.2 but is summarised for reference in Table 3.7 to demonstrate the golden thread running through the research that provides a consistent philosophical stance.

Table 3.7 Golden thread of the research paradigm

Philosophy	Ontology	Epistemology	Methodology	Methods	Analysis
Section 3.2			Section 3.3	Section 3.4	Section 3.5
Interpretivism	There is no single truth - reality is created by individuals	Interpretivist: Reality needs to be interpreted to discover the underlying meaning of events and activities	Soft Systems Methodology Multi method	Qualitative: Case study Semi-structured interviews Non-participative observation	Thematic Inductive and deductive approach

Source: Author's Own

Another means of validation encourages the researcher to keep clear documented records of the whole research process that would enable any one from outside the study to follow it. To ensure reliability the researcher maintained a clear and transparent audit trail that could enable others to view and judge the research process, and key decisions made. NVivo provides an electronic means of capturing the audit trail from the literature review, through each stage of the data collection and the researcher also maintained up to date research logs in a series of paper notebooks throughout the study.

To further ensure the recoverability and validity of the data and conclusions, the study draws on Holloway and Wheeler's (1996) three principles. Firstly, on member validation whereby conclusions have been verified through reference to the researcher's own field notes but also through the use of the expert panel and via a final round of interviews with two of the four case study LEPs and BEIS representatives. By asking those being investigated to judge the research design, analysis and interpretation themselves, and by providing them with a summary of the analysis, and asking them to critically comment upon the findings, the validity of the data and conclusion drawn can be further assured. Secondly on reflexivity the adoption of a SSM encouraged the researcher to critically reflect on their role within the whole of the data collection process and demonstrate an awareness of this. Thirdly by combining or triangulating the analysis of multiple data sources with the findings from other research studies presented in the literature review the researcher could demonstrate another means to ensure the trustworthiness of the analysis.

From an ethical standpoint, the research adhered to the rules and procedures produced by the university and during the interview process, a series of measures were in place to ensure compliance. When setting up and subsequently meeting an interviewee, the participant was provided with a research summary and information sheet which included information about informed consent in line with university ethical guidelines and in which the ethical approved status of the research was stated. In addition to the request for permission to record interviews, there were some other ethical issues that required consideration, namely informed consent and the process of ensuring anonymity (Harvey, 2001). To achieve this interviewees verbally gave their consent to be interviewed at the start of the recorded interview and the anonymity of the interview material was guaranteed by the researcher. To ensure interview respondents remain anonymous names have been removed and anonymised references attached to any quotes from interview transcripts. A framework for the anonymisation is provided in Appendix D. Participants were also asked permission to record the interviews and in no circumstances was permission denied, although in one case a request was made to review the transcript once completed. No changes were made to the transcript following this request.

3.7 Chapter summary

This chapter has presented the methodological approach adopted in the research and demonstrates a consistent thread running through the study. Following a consideration of the influence of both the discipline and the researcher, the study applied a philosophical position aligned to interpretivism with an ontological and epistemological perspective that allows for

multiple truths and a reality that needs interpretation to discover the underlying meaning of events and activities. Section 3.3 introduced the methodological approaches considered by this research and selected Soft Systems Methodology as a suitable approach to guide the empirical research which sets out to generate learning and an understanding of the problem across a group of stakeholders rather than set out to solve a pre-defined problem.

Section 3.4 discussed the application of SSM to the various stages of data collection including desk-based review, case study, semi-structured interviews and non-participative observation, summarised in Table 3.8. The final sections covered the inductive and deductive approach to analysis and how the results were authenticated and verified including issues of reliability, validity and ethical considerations.

Chapter 4 now completes the conceptualisation phase of the thesis with a presentation of the development of the conceptual model of place-based partnership which formed the framework for the data collection and analysis.

Table 3.8 Summary of empirical research methodology

Method Employed	Research Carried Out	Key Advantages	Contribution to Aim and Objectives
Practitioner Expert Panel	4 members invited to provide comment on the study and research tools as key points in the study	Provided a source of expert advice and feedback	Assisted with access to LEPs at later stages of the research
Desk-based analysis of LEP strategic economic plans	Review of 38 strategy documents	Enabled the identification of broad quantitative and qualitative similarities and differences between the LEPs	Contributed to an understanding of the components of and processes adopted by LEPs
Preliminary semi-structured interviews with stakeholders across the Midlands LEPs	10 interviews with LEP Chief Executives 3 interviews with BEIS representatives 1 interview with the LEP Network	Provided discussion and depth of material for qualitative analysis to shape the conceptual model	Provided insight into the factors that drive and inhibit progress in LEPs at both micro and macro levels
Case study data collection across 4 LEPs within the Midlands	16 interviews with LEP board members 12 observations of board meetings and other LEP events	Provided detailed material for qualitative analysis to refine the conceptual model, highlighting the differences and similarities between the LEPs	Provided an opportunity to study in detail the factors that enable (and inhibit) LEPs
Series of semi-structured	2 interviews with	Provided a source of expert opinion and	Feedback on whether the conceptual model to

Method Employed	Research Carried Out	Key Advantages	Contribution to Aim and Objectives
authentication interviews with stakeholders across the Midlands	LEP Chief Executives 2 interviews with BEIS respondents	feedback	assist the development of LEPs is feasible and desirable.

Source: Author's Own.

4 Phase two: conceptualisation of a model of place-based partnership

4.1 Introduction

This chapter completes the conceptualisation phase of the thesis. By using the literature and theoretical viewpoints presented in chapter 2, it will summarise the research problem (section 4.2) and present a conceptual model of place-based partnership (section 4.3). Following the SSM approach, the model was used to structure debate and discussion throughout phase 3 of the empirical research investigation. The findings of the research will follow in chapter 5 culminating in the presentation of a revised conceptual model of place-based partnership in chapter 6 which has been termed by the researcher as the Compass of Collaboration.

The empirical research followed the mode 2 application of SSM which entailed four main activities shown in Figure 4.1; (1) finding out about the problem situation; (2) building a relevant model; (3) use of the model to structure debate and discussion in the real world to define improvements which are both feasible and desirable to practitioners and policy makers; and (4) consideration of the implementation of any agreed actions. The following sections of this chapter will describe how stages (1) and (2) were undertaken.

Figure 4.1 Soft Systems Methodology mode 2 in summary

Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

4.2 Understanding the real world problem situation

The first task in applying the Soft Systems Methodology involved an exploration of the knowledge-base surrounding a problematic situation. Checkland and Poulter (2006) argued that complex situations could not be adequately captured by words alone, and encouraged the use of informal diagrams referred to as 'Rich Pictures' to capture the various points in a one-page sketch. The problem under scrutiny in this research concerns England's perpetual difficulty in establishing a durable intermediate level of governance between central and local government to direct economic development and growth. Local Enterprise Partnerships operate at this level but were established with few parameters and have had access to limited formal guidance since their inception in 2010.

The initial investigation of the problematic situation in the research was achieved through a review of literature and theoretical underpinnings related to the English experience of trying to establish a meaningful tier of governance to drive local economic growth.

The salient points of the literature review (presented in full in chapter 2) are as follows:

- England has struggled to establish a durable intermediate tier of governance between central and local government that appears to feature more easily in other European countries
- The paradigm of governance in Britain has historically gravitated towards centralism and adopted a place-neutral approach to policymaking
- Modern globalisation has encouraged a greater consideration of place and policy in Britain has subsequently sought to devolve power to Scotland, Ireland and Wales and to the English regions
- Within England there have been various iterations of spatial tiers of governance but none have been deemed an outright success
- The Regional Development Agencies were abolished in 2010 and replaced by 39 LEPs (later reduced to 38) operating as non-statutory place-based partnerships led by the private sector
- Central government provided little initial instruction or support and the LEPs had access to limited formal guidance
- There have been increased calls for greater transparency relating to how LEPs operate and the lack of clear guidance has been criticised

- There are established and extensive bodies of literature on place-based economic ecosystems and governance by partnership that might offer valuable guidance to fill this gap

These points were used by the researcher to sketch a 'Rich Picture' by way of summary of the research problem situation (presented in Figure 4.2).

The left-hand side of the picture depicts the paradigms of centralism and localism noting the different emphasis they place on the importance of place in policymaking. It highlights a query over a missing tier of governance between central and local forms of governance. The RDAs were abolished in 2010 and the idea of LEPs are posited as a mechanism to deliver a host of outcomes including spatial rebalancing of the economy; delivering political advantages; promoting public sector reform; improving political accountability; addressing societal challenges; promoting economic growth; and contributing to deficit reduction.

The centre of the picture summarises the newly evolving LEPs. Encouraged to adopt a natural economic geography, they brought together partners from the public sector with the private and included higher and further education alongside other collaborators. The factors around the circle show some of the variables from the literature that propel effective ecosystems. Towards the right-hand side the variables of effective partnerships are shown as a ladder with a suggestion that combining successfully has an enabling effect resulting in growth whereas collaborating ineffectively results in inertia.

The diagram is a hand-drawn conceptual map titled "THE CREATION OF LOCAL ENTERPRISE PARTNERSHIPS".

- Top Left:** A drawing of a clock tower (Big Ben) with the text "CENTRALISM place neutral" written below it.
- Top Center:** A banner containing the title "THE CREATION OF LOCAL ENTERPRISE PARTNERSHIPS".
- Left Side:** A large question mark "?" with the text "MISSING TIER" written below it.
- Bottom Left:** A drawing of city buildings with the text "LOCALISM place based" written above them.
- Center:** A large circle labeled "LOCAL ENTERPRISE PARTNERSHIPS" and "ENTERPRISE ECOSYSTEM". Inside the circle are three stick figures, one labeled "P", one labeled "A", and one labeled "THE LIFE".
- Top Right:** A ladder-like structure with rungs labeled from top to bottom: "RESOURCES", "GOVERNANCE", "LEADERSHIP", "PARTNER", "MAX SKILL", "VISION + STRATEGY", and "CONTEST + DIVERSITY".
- Right Side:** A cloud labeled "ENABLER" with the text "GROWTH" next to it. Below it is a drawing of a wine bottle labeled "INERTIA BOTTLE NECK" with the text "or..." above it. A cloud labeled "INHIBITOR" is also present.
- Bottom Right:** A cloud labeled "REWARDS".
- Surrounding Elements:**
 - A stick figure holding a sign that says "RDA" stands near a trash can labeled "2010".
 - A thought bubble from the stick figure contains the text: "rebalance", "reform", "reduce deficit", and "LEP".
 - Other labels around the central circle include "SKILLS", "INSTITUTIONAL EFFECTIVENESS", "NATURAL ECONOMIC GEOGRAPHY", "LEGAL FRAMEWORK", and "KNOWLEDGE".
 - A cloud labeled "PRODUCT" is near the bottom right of the central circle.

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This suggestion that effective collaboration between partners will secure improved growth highlights the gap in knowledge and, given that there has yet to be a full independent evaluation of the LEPs, we do not fully understand the factors that underpin the effectiveness of these place-based collaborations.

This research aims to fill that gap and explore whether there are common factors that enable (and inhibit) LEPs to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area. Guided by a number of research objectives, the research sets out to:

- understand the key components of a model for partnership effectiveness where effectiveness encompasses both the quantitative measures of economic performance and the qualitative components of collaboration with consideration given to the wider local contextual attributes
- explore the factors that drive and inhibit progress in Local Enterprise Partnerships
- consider whether it is feasible and desirable to develop a model to assist the development of place-based partnerships

Having summarised the problem situation, section 4.3 moves to the second stage of the Soft Systems Methodology, namely the development of a conceptual model of place-based partnership.

4.3 Developing an alternative system in the conceptual world

At this stage in the application, SSM moves from the real world summary of the 'Rich Picture' into the conceptual world where the researcher models a system of what Checkland and Poulter (2006) refer to as 'purposeful activity' to address the problem. These models are often supported in SSM by a Root Definitions or statements of purpose that capture the transformation to be brought about by the relevant system. The Root Definition can be used to deduce what the partners will have to do in order to improve and these possible actions can then be captured as conceptual models. Root definitions often apply what Checkland called a PQR formula: Do P by Q in order to achieve R where P = what, Q = how and R = why (Checkland and Scholes 1990, Checkland and Poulter 2006).

Applying the PQR Root Definition to this research, in coming to power, the Coalition government's response to addressing the problematic situation of the missing tier of governance was to abolish the RDAs and set up LEPs as an alternative system.

Paraphrasing, local partners were asked to:

- (P) form partnerships within an area they considered to have a natural functional economic ecosystem (the What)
- by (Q) pulling together the private and public partners to collaborate on the delivery of a Strategic Economic Plan (the How)
- to (R) achieve improved local economic growth (the Why).

There was no conceptual model provided by government at the time to guide local leaders in the task of creating a LEP. The Government's outline plans for the creation of LEPs were set out in a letter from Vince Cable, the then Secretary of State for Business Innovation and Skills, and Eric Pickles, the then Secretary of State for Communities and Local Government, to councils and business leaders in June 2010. The letter offered little in the way of parameters and only commented on the need for a clear vision for growth, and the need for equal membership on the boards by civic and business leaders with business in the role of chair. Local leaders were left to consider local context and adopt a natural economic geography as they saw fit. There has been limited guidance provided by government since their creation and the review by the National Audit Office (NAO, 2016a) and the subsequent ministerial review of LEPs (MHCLG, 2018) have provided limited clarity on the matter.

Given the lack of guidance the intention of this research is to utilise SSM as a learning tool to draw on the knowledge-base (chapter 2) to develop a conceptual model that might offer a more robust, evidenced and supportive tool that can be of value to all LEPs and to wider place-based partnerships. As localised systems of collaboration to drive growth, the model of economic growth and development unpinning the LEPs has its foundations in two bodies of literature. Firstly, decentralisation towards a more functional or natural economic geography draws on the place-based paradigm and related literature presented in chapter 2 on economic activity clusters, innovation systems and entrepreneurial ecosystems. In understanding the factors for success, a number of common conditions feature in the literature as elements of an effective system, notably:

- Shared vision (Isenberg, 2011; Feld, 2012; World Economic Forum, 2013; Stam, 2015; Acs *et al.*, 2017)
- Effective network of partners (Feld, 2012; World Economic Forum, 2013; Isenberg, 2014)
- Leadership from strong entrepreneurs (Isenberg, 2010; Feld, 2012; Feldman, 2014; Stam, 2015; Acs *et al.*, 2017)

- Supportive policies and governance arrangements (World Economic Forum, 2013; Feld, 2013; Acs *et al.*, 2014; Acs *et al.*, 2017)
- Access to knowledge, capital, funding and talent (Isenberg, 2011; Feld, 2012; World Economic Forum, 2013; Stam, 2015; Acs *et al.*, 2017)
- An establish culture of collaboration with the presence of effective institutions (Cohen, 2006; Mason and Brown, 2014; Audretsch and Belitski, 2016)

Secondly, the governance of these functional economic spaces adopts a partnership approach. Growing in popularity in the 1990s, partnership working is an established form of governance for economic development and the literature presented in chapter 2 offered a steer as to the drivers of partnership effectiveness that revealed commonality across a range of agendas not just economic development. These include:

- Having a shared vision that is translated into a workable strategy (Carley *et al.* 2000; McQuaid, 2009)
- Presence of a mix of engaged and motivated partners (Carley *et al.* 2000; McQuaid, 2009)
- Established levels of trust between partners (Bailey, 2003; Huxham, 2003; Vangen and Huxham, 2003; Huxham and Vangen, 2000; Skelcher and Sullivan, 2008; Vangen and Huxham, 2013; Vangen *et al.* 2014)
- Effective leadership (Carley, 2000; Carley *et al.* 2000; Bailey, 2003; Huxham, 2003; Vangen and Huxham, 2003; Skelcher and Sullivan, 2008; Vangen, Hayes and Cornforth, 2014)
- Transparent structure and governance arrangements (Carley, 2000; Huxham and Vangen, 2000; Bailey, 2003; Huxham, 2003; Vangen and Huxham, 2003; Skelcher and Sullivan, 2008; Vangen, Hayes and Cornforth, 2014)
- Access to resources and skills (Plummer and Zipfel, 1998; Carley, 2000; Carley *et al.* 2000; Nelson and Zadek, 2000; McQuaid, 2009)
- Favourable history of partnership working that has evolved over time to provide a culture of collaboration (Plummer and Zipfel, 1998; Carley, 2000; Nelson and Zadek, 2000)

A synthesis of the findings from research into LEPs also echoes the factors drawn from the studies of partnership working and provides a similar summary of the factors that collectively support the effectiveness of the LEPs, namely:

- Clear lines of accountability and strong governance arrangements (Pike *et al.*, 2013, 2015; Pugalis and Bentley, 2013c; Pugalis and Townsend, 2013; Quinn, 2013; Cox, Broadbridge

and Raikes, 2014; Bentley, Pugalis and Shutt, 2017)

- Adequate resources and capacity (Bentley, Bailey and Shutt, 2010; Shutt, Pugalis and Bentley, 2012; Pugalis and Bentley, 2013b; Cox, Broadbridge and Raikes, 2014)
- Effective group interaction with clear roles and contributions from partners (Hildreth and Bailey, 2013, 2014; Pugalis and Bentley, 2013c; Pugalis and Townsend, 2013)
- Shared vision and goals (Shutt, Pugalis and Bentley, 2012; Peck *et al.*, 2013; Huggins and Thompson, 2015)
- Strong leadership (Pugalis and Bentley, 2013c; Quinn, 2013; Ayres, 2014; Tomaney, 2014; Bentley, Pugalis and Shutt, 2017)

Whilst recognising that each locality is unique and has clear points of difference, the literature review offers a clear steer as to the features that might drive and inhibit the effectiveness of LEPs as place-based partnership presented in Table 4.1.

Table 4.1 Common factors across the literature

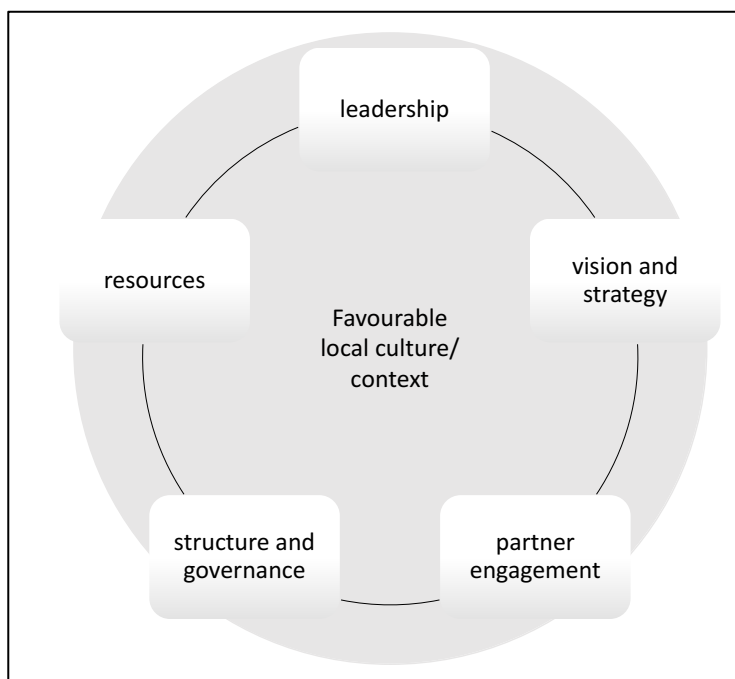
Economic ecosystem Literature	Partnership Literature	LEP Literature
Shared vision	Having a shared vision that is translated into a workable strategy	Shared vision and goals
Effective network of partners	Presence of a mix of engaged and motivated partners Established levels of trust between partners	Effective group interaction with clear roles and contributions from partners
Leadership from strong entrepreneurs	Effective leadership	Strong leadership
Supportive policies and governance arrangements	Transparent structure and governance arrangements	Clear lines of accountability and strong governance arrangements
Access to knowledge, capital, funding and talent	Access to resources and skills	Adequate resources and capacity

An establish culture of collaboration with the presence of effective institutions	Favourable history of partnership working that has evolved over time to provide a culture of collaboration	
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Source: Author's Own

These were summarised to form a draft conceptual model of place-based partnership in visual form shown in Figure 4.3.

Figure 4.3 Draft conceptual model of place-based partnership



Source: Author's Own

Given the need for greater understanding of the overarching factors that support place-based partnerships (Pike *et al.*, 2016; Bentley, Pugalis and Shutt, 2017), the conceptual model provides a lens through which individual partnerships can be explored through the empirical research. In considering the Theory of Collaborative Advantage, one might expect those LEPs that encompass and embody the factors into their partnership to achieve synergist benefits and conversely, those LEPs that struggle to apply the factors effectively to be at risk of collaborative inertia (Huxham, 2003; Vangen and Huxham, 2003, 2008; Skelcher and Sullivan, 2008).

As detailed in the methodology presented in chapter 3, this research will use the model as a

framework for the empirical research to discuss and observe evidence of the factors within the model at play to understand whether they impact of the effectiveness of the LEPs and whether other factors are at play. For example, within its local ecosystem the LEP is likely to be affected by factors such as the strength of its physical and digital local infrastructure, the make-up and demography of the local population and the skill sets they hold. Additionally, the impact of macro factors such as the influence of central institutions notably government has been seen to have an impact (Bentley and Pugalis, 2013; Bentley, Pugalis and Shutt, 2017) and so it will be of interest to consider the influence of the wider context on LEPs. Are the factors highlighted in Figure 4.3 enabling factors that assist the LEPs to gain synergist benefits? Do strong structures and governance frameworks enable LEPs to push back and manage the coercive, central influence of Whitehall? Does a clear vision and strategy direct the partnership and equip them to avoid becoming mimetic? Does a positive historical culture of partnership working means that LEPs has no need to adopt practice and processes from elsewhere?

4.4 Chapter summary

This chapter has presented the conceptualisation phase and drawn on earlier chapters to summarise the problematic situation and offer a 'Rich Picture' visual summary. Having determined the purpose of the conceptual model, section 4.2 presented a synthesis of the existing pertinent literature to summarise the six factors within the draft conceptual model of place-based partnership.

Within the model the factors at this stage are little more than headings for further exploration and the thesis now turns to present the empirical research in chapter 5. Moving back to the real world the conceptual model was investigated and refined in situ by engaging and capturing the different viewpoints of those working within and with LEPs to populate and refine the model and illustrate the understanding of place-based partnerships further. An analysis and discussion of the empirical findings (presented in chapter 6) will result in the final presentation of the model: termed by the researcher as the Compass of Collaboration.

5 Phase three: an exploration of the conceptual model

5.1 Introduction

This thesis aims to understand the factors that contribute to an effective place-based partnership. The review of literature presented in chapter 2 suggests that there is an overlap between the

factors that support effective partnerships and those that enable healthy economic ecosystems. This overlap comprises six factors that were summarised in chapter 4 as a conceptual model of place-based partnership shown again in Figure 5.1. The empirical research findings presented in this chapter focus on one form of place-based partnership – the Local Enterprise Partnership to explore and develop the model.

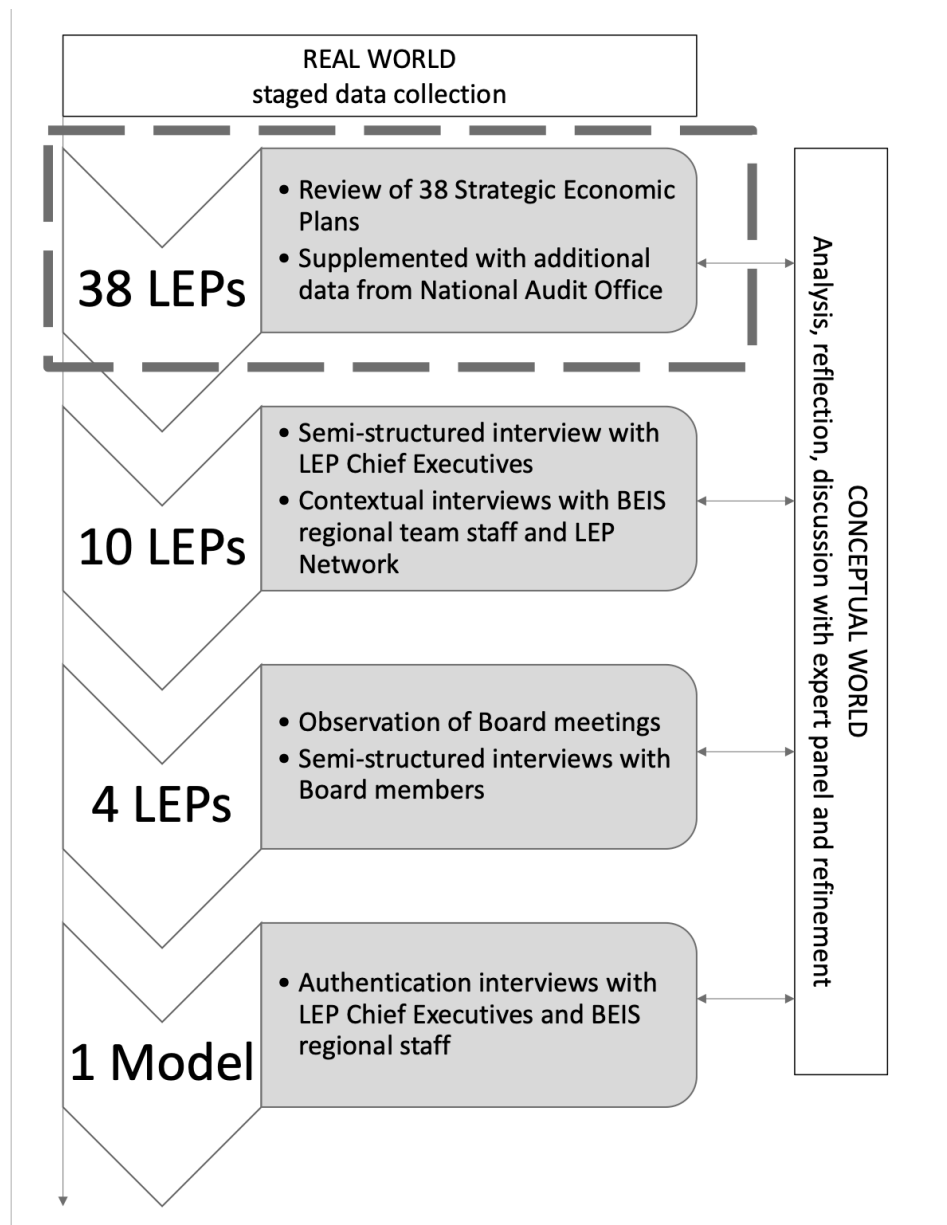
Figure 5.1 Conceptual model of place-based partnership



Source: Author's Own

The Soft Systems Methodology encourages a move from the conceptual world into the real world to explore the suitability of the model through discussion and debate (stage 3 of Mode 2 SSM Figure 4.1). Chapter 3 outlined how through multiple layers of data collection and analysis, the model has been investigated to understand the factors that help and hinder partnership progress. This chapter covers the layered approach to data collection and the analysis is presented in three parts starting with the sections 5.2 and 5.3 which present the desk-based review of LEP Strategic Economic Plans (SEP) (Figure 5.2)

Figure 5.2 First stage of data collection and analysis



Source: Author's Own

5.2 Reviewing 38 LEPs

Consistent with related studies exploring the effectiveness of partnerships (Geddes, Davies and Fuller, 2007; Fenwick, Miller and McTavish, 2012), it was helpful to establish from the outset a

broad understanding of the each of the 38 LEPs operating across England³. This involved the collection and analysis of both quantitative data on populations size, level of resourcing through the Local Growth Fund and information on key targets and performance indicators, and qualitative data on their geographic location, vision statements, strategic priorities, board membership, structure and governance arrangements. The analysis of this data provided not only an insight into each of the 38 LEPs but also enabled the researcher to observe any references made to each of the factors in the conceptual model. The researcher drew primarily on the SEPs as the principle document relating to each LEP. Where the review of the plan resulted in missing quantitative data this was sourced via the website of the LEP or from the National Audit Office or Office of National Statistics website.

This section assesses the content of the 38 SEPs to build a profile of the LEPs. In June 2013, following the Spending Review, the Government set out its requirements for LEPs to develop a multi-year local Strategic Economic Plan by March 2014. The SEP set the long-term vision for the area but also included a shorter-term growth plan in a bid to secure centrally allocated Growth Deal funding. The government allocated the competitive element of Growth Deal funding based on the strength of these plans that identified agreed economic priorities, a vision for their local areas and potential projects with supporting evidence.

To understand the variability amongst the LEPs, a copy of each of the 38 SEPs was accessed directly via individual LEP websites. Where the document was not available, a copy was accessed via the LEP Network who hold a copy of all LEP plans on their website. In all cases the SEP had been published in March 2014 and laid out the partnership's plans for growth in the short to mid/ long term. The only exception to this was the London Enterprise Panel that did not have a Strategic Economic Plan available at the time of the analysis and so the Local Growth Deal for London (March 2014) was reviewed as a suitable alternative.

To record the findings in a consistent manner given the number of LEPs under review, a database was created in Excel to record and compare a range of information:

³ At the time the desk-based review commenced there were 39 LEPs. SEMLEP and NEP subsequently merged and so NEP's plan has been removed from the analysis.

- Name of the LEP
- Date initial LEP proposal approved by government
- LEP status (company limited by guarantee, unincorporated)
- Local authority areas included
- Typology (small state, small firm; producing places; core cities; rural economies; London)
- Size of resident population (ONS 2015)
- Size of working population (ONS 2015)
- Combined Authority status
- Leadership – chair, Vice chair
- Partners including number of directors
- Structure and governance arrangements
- Vision statement
- History and context
- Skills and resources
- Strategic themes and key performance indicators

To explore the conceptual model and consider whether there were common factors that enabled (and inhibited) the partnership, the researcher coded the plans according to a number of themes within an initial coding framework (summarised in Table 5.1 with more detail in Appendix E). Through the first round of analysis, the themes were to a degree imposed on the data as opposed to emerging from it (Patton, 2002).

Table 5.1 Initial coding frame for the SEP Review

Code	Notes
Leadership	Descriptive or inferred information on detail, style and effectiveness of LEP leadership including chair, Vice, Director roles
Partner Engagement	Descriptive or inferred information on levels of partner involvement including recruitment, and wider access
Structure and governance	Descriptive or inferred information on LEP structures, changes to structure, accountability and governance frameworks
Resources	Descriptive or inferred information on levels and quality of human and financial resources and skill sets within the LEP team and board
Vision and strategy	Descriptive or inferred information on the approach to setting and delivering on the LEP vision and strategy
Local context of partnership	Descriptive or inferred information on historical context to the LEP and micro PESTLE factors

Source: Author's Own

A second round of open coding was then applied that allowed inductive and iterative themes to emerge from the data that fell outside the six factors. In this manner iteration offered a reflexive and less mechanical means to spark insight and develop meaning from the data (Srivastava and Hopwood, 2009). Where themes were noted these were added to the coding frame so that further evidence could be collated in subsequent stages of data analysis. The following sections present the findings of the desk-based review.

5.3 Results

The government did not specify the format the SEP should take and as a general observation from the review of plans, it is not surprising to find considerable variation across the 38 in terms of length, the way the information is presented, time period covered and quantity and quality of evidence

provided. Given the focus on accessing Growth Deal funding, many of the SEPs were presented as funding bids or plans that focused on stipulating a series of projects to be delivered in the short-term. Some however took a broader approach and attempted to develop a strategic spatial economic plan for their area. This finding is consistent with an earlier review of the LEPs role in planning undertaken for the Royal Town Planning Institute that comprised a similar desk-based review supplemented by a questionnaire of LEPs (Pugalis *et al.* 2015).

The following subsections take each of the six factors within the conceptual model in turn and presents the key results. Consideration is then given to the iterative themes that emerged through the opening coding and sat outside of the conceptual model.

5.3.1 Leadership

In all but five of the plans, the chair of the LEP was made clear and was a representative of the private sector. In those five cases, there was no mention of the chair. It was commonplace for the SEP to include a foreword or executive summary that was signed off by the chair of the partnership and in five cases, the SEP was also signed off by the elected Council Leader. This was the case for the Black County, Leicester and Leicestershire, the North East, Sheffield City and Swindon and Wiltshire. In one instance the SEP was signed off by the vice chair in the absence of a chair. All but five of the chairs were male. Beyond referencing the name of the chair, it was rare for the SEP to include any detail on the process of selection or the skill set expected of the leader and there was only one instance of a SEP that included any detail in this area. This is unusual given the increasing concern raised over LEP governance and transparency arrangements and, with most SEPs including a section on assurance frameworks, one might expect a greater number to provide detail on the recruitment of the chair. As such, the desk-based review provided little insight beyond the descriptive as to whether leadership was considered a key factor of an effective partnership by the LEPs.

5.3.2 Partner engagement

LEPs are voluntary partnerships between the private and public sector and most SEPs made direct reference to the range of partners engaged in LEP activity and on the board specifically; 10 LEPs however provided little or no detail. The review looked for evidence of the size and composition of the LEP strategic board and again this was missing in some the documents. Where this information was available there was variety in the size and composition as set out in Figure 5.3.

Figure 5.3 Composition of LEP boards

Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

Source: analysis of LEP Strategic Economic Plans 2014

Across the 17 LEPs who made their board composition clear, the board size ranged from 9 to 27 directors with the most common number of board directors being 15. There is a wealth of research exploring the optimum board size and the vast number of variables means that it is difficult to stipulate an exact figure as this will depend on the type of industry or sector, location, composition. Many studies suggest a negative correlation between board size and performance whereby larger boards become difficult to co-ordinate and experience problems with communication and organisation. They also suffer from decreased levels of motivation and participation (Lipton and Lorsch, 1992; Van den Berghe and Levrau, 2004; Harris and Raviv, 2008; Raheja, 2005). This is an area that is worthy of further exploration in later qualitative data collection stages in order to understand whether the boards have been deliberately limited to relatively low membership to enable effective communication and ease of organisation.

17 SEPs provided information on the composition of the board and, in addition to public and private sector directors, 15 boards included some form of representation from education and in most cases from higher education although there were eight cases where the LEP specifically included a representative from further education. This is interesting and implies that the LEPs place value on the Triple Helix theory of collaboration developed in the 1990s that highlights the specific interaction and relationship between business, academia and government (Leydesdorff and Etzkowitz, 1998; Etzkowitz and Leydesdorff, 2000; Etzkowitz and Zhou, 2007). This is also perhaps reflective of the importance of higher education as a driver of growth; areas that can be explored further through later stages of the research.

In terms of wider stakeholder engagement, several of the SEPs alluded to the process of stakeholder engagement and cited a variety of methods used including:

- Surveys of local businesses, voluntary and community groups
- Engagement of business representation organisations such as the Chamber of Commerce, Federation of Small Businesses
- Face to face interviews with key business leaders
- Consultation events including thematic, sector and geography based

To sustain ongoing and wider engagement some LEPs had then set up business boards or forums and several SEPs also cited examples of collaboration with other LEPs, either because they had geographical overlaps or because they had a history of working collaboratively across a wider spatial area.

Government stipulated that LEPs should be business led and in all cases where membership was made clear, the number of private sector board members outweighed those from the public sector. However, local authority representatives were commonly selected to represent a wider number of local authorities within the LEP's boundary and it was then commonplace for the wider pool of local authority leaders or chief executives to form a joint committee that was linked to the LEP's strategic board. Further if board directors from higher and further education are factored in as non-private sector representatives, then the private sector failed to hold the majority in six of the 17 areas. This is consistent with the NAO (2016b) review of LEPs that found a small number of LEPs with minority private sector board membership and is an early indicator of the dominance of the public sector that will be revisited in later stages of the analysis.

5.3.3 Structure and governance

Structurally, beyond the main strategic board, most LEPs had adopted a structure that included a number of panels, groups and committees related to policy, sector or place domains which is consistent with the findings of earlier studies (Pugalis *et al.* 2015b). By way of example, Figure 5.4 shows the organisational structure of D2N2 (Derby, Derbyshire, Nottingham, Nottinghamshire) which demonstrates a typical LEP structure.

Figure 5.4 Structure and governance of D2N2 LEP

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Source: D2N2 Strategic Economic Plan March 2014

With regards to governance arrangements, by March 2014 when the SEPs were published, the role and responsibilities of LEPs had been significantly extended by government to include not only the publication of a SEP, but also the delivery of a range of funded activity including City Deals in some area, Local Growth Deals in all area and management of the European Structural Investment Funds.

As such LEPs were under some pressure to review their governance arrangements given their oversight of public funds and it is to be expected that 33 of the 38 Strategic Economic Plans referred to the structure of the LEP and the governance arrangements in place to guide its operations. The level of detail provided within the SEP varied from no detail at all to lengthy sections that covered the procedures in place to deal with a range of factors including:

- The assessment of proposal and project bid
- The means of achieving value for money

- Protocols governing joint working between LEPs that have overlapping geography
- Appointment of directors

The SEPs that included no mention of governance arrangements were mainly produced by LEPs that had not been in receipt of City Deal or Enterprise Zone funding and so were arguably less experienced in accessing central funds as a LEP and less practiced in the delivery and management of LEP programmes. In December 2014, the government asked all LEPs to develop a single local assurance framework to instil confidence in the delegation of funding from central budgets and programmes. Given the maturing status of LEPs, and the variability in quality observed in this review, this can be viewed as an expected and necessary move to apply a minimum standard of governance and transparency that all LEPs were expected to meet. A subsequent review of LEPs by the National Audit Office (2015) however found that local assurance frameworks varied considerably and, in some cases, fell short of the minimum standards set as summarised in Figure 5.5. For example, the review found that over half of LEPs failed to confirm arrangements for local auditing of funds and publishing of their accounts and 40 per cent failed to detail the roles of their main boards and sub boards.

Figure 5.5 Quality of LEP local assurance frameworks

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Source: National Audit Office 2016: p44

The limited guidance offered by government to local leaders setting up a LEP did not include instruction on the organisational structure the partnership should take and as such a mix was evident in the review of SEPs. 22 of the 38 SEPs made explicit reference to the LEP's legal status as detailed in Table 5.2.

Table 5.2 Legal status of the LEPs March 2014

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Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

Source: LEP Strategic Economic Plans 2014

The most common structures included company limited by guarantee, incorporated and unincorporated partnerships including those overseen by their Combined Authority. Companies limited by guarantee have a legal status and can employ staff and enter into contracts, whereas partnerships solely operate through a nominated local authority. That said, there was no detail or content within the SEPs as to the perceived benefits of these options and regardless of organisational structure, each LEP had a nominated local authority or Combined Authority to act as its accountable body. The literature also offers little insight into the benefits associated with different organisational forms given that much is based on the early LEPs years. Earlier studies offer limited comment on structural status and are only able to offer broad comment on the different emergent forms with little assessment of the perceived effectiveness of these different options. Shutt *et al.*'s (2012) review for example highlighted that the LEPs tended to be either an informal partnership arrangement, often supported by a local authority acting as accountable body, or an

entity with a legal personality, such as a company limited by guarantee. This is an area that requires further investigation in later stages of the research to understand whether the LEPs regard particular organisational forms as beneficial to their effectiveness. This is particularly pertinent given the MHCLG review of LEPs that requires all LEPs to adopt a legal status (MHCLG, 2018).

The wider literature offers some insight into the structural creation of the LEPs. Shaw and Greenhalgh (2010) commenting on the embryonic creation of a LEP in Tees Valley noted that the LEP was able to draw on an earlier merger of organisations in 2009 who came together to form Tees Valley Unlimited, an economic partnership for the city region in response to a lack of capacity within the five authorities. Bentley *et al.*'s (2010) early assessment of the creation of LEPs, observed that Blackpool, Fylde and Wyre Councils also wanted to convert their existing economic development company into the LEP, but struggled to do so because none were an upper-tier authority. These studies suggest that building on pre-existing structures was seen as a positive means to forming the LEP which offers support for one of the factors within the conceptual model - a favourable local culture and context – discussed in greater detail in section 5.3.6 and in later stages of the research.

5.3.1 Vision and strategy

Central government was clear that the core purpose of the LEP was to 'provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area' (BIS, 2010; p.13). This was reinforced in the limited advice provided to LEPs in drawing up their plans whereby according to government, SEPs were intended to be plans for local growth that included a vision statement and clear priorities. Most of the 38 SEPs reviewed included a vision statement with only a minority (n=5) failing to articulate this within the plans. Unsurprisingly there was variety in the phrasing and content of the vision statements, but they can be grouped into a number of typologies. Firstly, a number were lengthy and descriptive statements that sought to paraphrase the strategic priorities laid out in the plans. By way of example:

By 2020, the Humber will have a thriving renewables sector, with ambitious capital schemes well underway and a growing reputation for excellence and expertise. Many thousands of jobs will have been created, driven by this major growth in renewables alongside the further strengthening of our other key sectors. Existing and new businesses will be able to easily find and access finance and quality business support to help them succeed. By 2020, we will have a skills

system that is better aligned with the current and future needs of our economy. The proportion of our working age population with no qualifications will have decreased significantly and we will have observed another period of above average growth in higher level skills. By 2020, our visitor economy will be stronger than ever, civic pride will have risen and a stronger sense of ambition and self-confidence will be evident across the LEP area. The area will be benefiting from the legacy impacts of Hull: UK City of Culture 2017, our infrastructure and housing offer will have progressed considerably, and we will be adequately resourced to deal effectively with issues of flooding and coastal erosion. Strategic development sites, including Enterprise Zones, will be thriving locations for economic growth (The Humber SEP, March 2014, p.3)

Relatedly, other vision statements provided a summary of the key targets and outcomes set out in the SEP and were less concerned with establishing a vision for the LEP area:

Our Vision for Cheshire & Warrington: Delivering economic growth consistently above the UK level, Achieving GVA per head of 110% of the UK average and an economy of £26.6 billion by 2021 making progress towards re-establishing fully our productivity premium advantage, with GVA per head of at least 115% of the UK average and an economy of around £35 billion by 2030. By 2030 to grow our population by 100,000, create 75,000 new jobs and 70,000 new homes. Recognised as a modern, strong, sophisticated and attractive business and residential location, both urban and rural and known increasingly for our innovation, enterprise and skills (Cheshire and Warrington SEP, March 2014, p.33).

A smaller number of vision statements sought to capture a sense of place and the LEP's role in place-making and interestingly these were often those areas with more advanced devolution arrangements in the form of Combined Authority status:

The vision is for Greater Manchester to become a net contributor to the national economy. The new relationship that we are seeking with government will enable local authorities to discharge their place-shaping role to create high quality places that attract and retain more productive people and businesses and to reform the way that public services are delivered to improve outcomes for our people (Greater Manchester SEP, March 2014, p. 10)

Overall the most common type of vision statement was an aspirational and ambitious statement that sought to articulate a bold vision for growth. Some examples follow:

Our vision is that Coast to Capital will deliver exceptional growth and productivity gains to deliver economic performance to rival the best in Europe and the rest of the World (Coast to Capital SEP, March 2014, p.8).

Oxfordshire's vision "By 2030 Oxfordshire will be recognised as a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence" (Oxfordshire SEP, March 2014, p. viii).

An economic powerhouse driven by the transformation of Stoke-on-Trent into a truly competitive and inspiring Core City and by accelerated growth in our County Corridors and urban centres (Stoke and Staffordshire SEP, March 2014, p.1).

Given the literature highlighted a series of factors that underpin effective partnerships, it is surprising that none of the vision statements included reference to any of these factors. This observation prompted the researcher to undertake a text frequency search across all 38 SEPs to identify the 500 most frequently used words. Words needed to be of a minimum length of five letters and the results are presented as a word cloud in Figure 5.6. The analysis supports the earlier observation that the six factors of the conceptual model are conspicuous in their absence in the SEPs. The most frequently used words are listed each with their total count:

- Growth count of 13,416
- Local count of 8,546
- Business count of 7,689
- Investment count of 7,181
- Economic count of 6,626

The factors of the conceptual model are listed with their total count:

- Culture count of 0
- Context count of 0
- Leadership count of 300
- Governance count of 506
- Vision count of 596

- Resource(s) count of 1,213
- Partner count of 1,381
- Strategy count of 1,925

Figure 5.6 Word cloud of the most frequently used words across the 38 SEPs (March 2014)



Source: Author's Own

The word 'strategy' is used most frequently of all the factors which is unsurprising given the document was a strategic plan but even then, the word features far less prominently than those in the top five. This analysis is revealing and reinforces earlier observations of the SEPs whereby Pugalis *et al.* (2015: 4) noted in their review a similar language of 'talking up' of plans for growth. The SEP is a bidding document and so the focus on growth, business and investment over the factors that might underpin the operational effectiveness of the LEP is inevitable given the competitive nature of the Growth Fund bidding process. As such, given the ongoing centralisation of the majority of LEPs funding, it is to be expected that the LEPs would seek to portray their

partnership to government as striving to be the best in order to access that central funding. However, this also adds further weight to the argument that the paradigm has not shifted far towards localism. Few of the vision statements sought to capture the LEPs' aims to transform their local areas and those that did tended to be areas with more advanced devolution arrangements. These areas are arguably more adept at navigating a decentralised relationship with central government.

Moving on to the strategy there were again points of difference and across the 38 SEPs there was variety in the type and number of Key Performance Indicators (KPI) adopted by the LEPs (see Table 5.3).

Table 5.3 Summary of KPI data across all 38 LEPs

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Source: LEP Strategic Economic Plans 2014

Five LEPs had a single KPI:

- number of new jobs to be created (D2N2 and North Eastern)
- increase in GVA to be secured (Thames Valley Berkshire and Cornwall and the Isles of Scilly)
- number of new homes to be built (Greater Cambridgeshire and Greater Peterborough)

The inclusion of four KPIs was most common although others had far more with the Humber's Strategic Plan comprising over 20 KPIs across a series of 5 strategic objectives. Despite the size of the pool of KPIs (n=33), a small number were more commonly used by the LEPs and increases in GVA and the number of jobs created were the most common indicators. Indicators relating to skills and training were also commonly cited although LEPs applied 10 different KPIs to measure improvements including:

- increases in the percentage of working population qualified to different NVQ levels
- reductions in the number of people with no qualifications
- reduction in the percentage of NEET
- number of pupils with 5+A* GCSEs
- the number of completed apprenticeships.

14 of the 38 LEPs had included one or more of these KPIs in their plans.

The government did not stipulate the output metrics to be adopted by LEPs in their guidance and this in part explains the variety. LEPs also used different definitions to describe the outputs of their planned interventions. Subsequent assessment of the Growth Deal funding allocations by the National Audit Office reported that it was difficult to assess bids consistently given the lack of commonality in output metrics which made it hard to assess which plans represented better value for money (NAO, 2016a).

In October 2014, the Committee of Public Accounts had recommended:

'a common approach to measuring and evaluating the outcomes of growth programmes, including job creation, with other government departments and local areas, to ensure one geographical area is not 'growing' at the expense of another' (National Audit Office, 2015, p.6).

The government subsequently took steps to standardised definitions for three lead indicators: jobs, private sector leverage, and housing units created and shared with LEPs a range of other metrics to choose from depending on the nature of their projects. The use of KPIs within the SEPs was

highlighted in the findings of Pugalís *et al.* (2015) who found a number of SEPs took a narrow view of growth, equating it to productivity levels codified in metrics such as Gross Value Added. The desk-based review in this research similarly finds that many of the plans made no mention of deprivation, and some included little or no consideration of the wider social and environmental impact of their strategic plans. Given the growing concerns over transparency and accountability it is also of concern that most of the SEPs failed to describe their approach to performance management.

The timeline for the achievement of the KPIs varied. Over half of the plans took a relatively short-term view to 2020/21 although some did look beyond to 2030. The government's request for LEPs to produce a plan was a requirement of the negotiations of the first of several rounds of Growth Deals funding whereby LEP effectively competed for centrally allocated funds. The first deal was agreed in July 2014 and the funds allocated covered the period 2015-2021. This in part explains the timeline of the SEPs which in many cases were prepared as a means to access the Growth Deal funds rather than guide the strategic direction of the LEP.

5.3.2 Resources

Access to human and financial resources is the fifth factor within the conceptual model and the SEPs varied in detail on the amount and type of resource available. Most of the plans referenced the amount of Local Growth Fund required to deliver the programme of activity set out in the SEP and some were clear on other sources of local investment including funds through ESIF and contribution from public and private sector partners whereas others were light on detail. There was a lack of consistency in the SEPs in how the financial asks of government were presented which made it difficult to compare the size of the request to the size of the allocation however, the availability of information in the public domain allows a comparison to be made in terms of the 'success' of the LEPs in securing Local Growth Deal funding through the three rounds of funding presented in Figure 5.7.

Figure 5.7 Local Growth Deal allocations combined across rounds 1,2,3

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Source: Cabinet Office and Deputy Prime Ministers Office

Figure 5.7 indicates that the core city regions have secured larger allocations of funding than less urbanised areas which is consistent with the English approach to decentralisation which has tended to focus on the premise that economic activity clusters around an urban territorial core (Wheeler, 2002; Albrechts, 2004; Salet and Thornley, 2007; Healey, 2009; Allmendinger *et al.*, 2016). Critics argue that rather than supporting a move to localism, this reflects a highly centralised governance

framework that under values local difference and over focuses on the capital and city areas (Barca and Rodriguez-Pose, 2012; Hildreth and Bailey, 2013). It will be interesting to see in later stages of data collection and analysis whether more rural LEPs regard themselves as under resourced and placed at a disadvantage compared to the city LEPs.

Research has shown that LEP staffing levels vary. A review conducted for the Smith Institute (PriceWaterhouse Coopers, 2015) found that the largest LEP employed 40 full-time staff and the smallest only two. That said, few of the SEPs made direct reference to the size of their staff teams. Where specific numbers were provided, these were more likely to relate to funding requests for new posts. A few made general reference to the need to pool staff resources which included secondments into the LEP and in many cases these staff were from a local authority:

In addition, Local Authorities, Universities and other stakeholders have a significant number of personnel involved in developing and managing projects and programmes. This includes staff more widely involved in economic development and staff engaged in ERDF, ESF and EAFRD projects and programmes. Staff in enabling functions e.g. planning, are available to support economic development activities (Coventry and Warwickshire SEP, March 2014, p. 88)

This is one of the factors identified within the conceptual model and it will be useful in later stages of the data collection and analysis to explore whether the sharing of staff resources and partner expertise is regarded as advantageous.

5.3.3 Culture and context

The final factor in the conceptual model is a history of partnership working and a socio-economic context that appears to aid LEP progress as a result of established networks of trust between partners combined with favourable natural attributes (Carley *et al.* 2000; Nelson and Zadek, 2000; McQuaid, 2009; Huggins and Thompson, 2015; Spigel, 2015). A number of SEPs made direct reference to the established collaboration that existed between partners in their area and it is to be expected, given the earlier research by Pugalis and Bentley (2013c), that most of these would be those LEPs that were established and approved by government earlier on. Further investigation also revealed that some of these LEPs had been allocated City Deal funding and so would arguably have had greater experience of joint working and management of collaborative programmes. They were also the LEPs that comprised the local authorities who had negotiated devolution deals via

the creation of Combined Authorities as Table 5.4 shows.

Table 5.4 Linkages to a history of collaboration

SEPs that mention history of collaboration	Quote from SEP March 2014	LEP has a City Deal	LEP has linked to Combined Authority
Leeds	“The SEP is the culmination of many years of collaboration. The Leeds City Region partnership has existed for a decade and has a track record of delivering on its ambitions. We have been at the forefront of cross-boundary working, from drawing up the first Leeds City Region Development Programme through to our status as a City Region pilot area” (p.3)	✓	✓part of West Yorkshire Combined Authority
Greater Manchester	“Greater Manchester has an unparalleled history of collaboration. Whilst it developed from the AGMA model of voluntary collaboration between its constituent local authorities over a 20-year period, the GMCA is a statutory body with its functions, powers and responsibilities set out in legislation The GMCA provides for stable, effective and efficient governance and an unparalleled platform for government to devolve powers to as part of the Growth Deal process” (p.51)	✓	✓
Tees Valley	“TVU has a long track record of addressing strategic economic development, transport and housing matters in the Tees Valley. Since the formation of the Tees Valley Joint Strategy Unit (JSU) in the mid-1990’s, the partnership has evolved to become a robust public–private partnership that drives forward economic growth, with strong leadership and steer from both our private and public sector representatives on our Leadership board which formed in 2007” (p.122)	✓	✓
Black Country	“The Black Country LEP is founded on a strong track record of successful partnership working over more	✓	✓ part of the

SEPs that mention history of collaboration	Quote from SEP March 2014	LEP has a City Deal	LEP has linked to Combined Authority
	than a decade. In 2000, the four Black Country local authorities and other key partners, founded the Black Country Consortium, which was established as a limited company in 2006” (p.87)		West Midlands Combined Authority
West of England	“The West of England has a long standing and successful history of joint working spanning a range of contexts. Whether cooperating as four authorities on areas of shared policy or cross boundary major projects or working with stakeholders through the West of England Partnership and more recently the LEP. The maturity of these relationships brings solidity and permanence which has allowed joint decision-making, including taking challenging decisions such as identifying shared priorities, in support of our agenda for growth” (p.88)	✓	✓
Liverpool	“In March 2012 the Liverpool City Region LEP was formed building on an existing 20-year partnership that had been a driving force of economic growth” (p.2)	✓	✓
New Anglia	“We (New Anglia) have used the two City Deals to bring businesses, providers and local authorities together and develop an effective strategy” (p.5)	✓	x but have made attempts that have failed
Cheshire and	“The sub-region has a long legacy of joint working in delivering economic development for many years	x	X ⁴

⁴ Although Cheshire and Warrington had not been in receipt of city deal funds and were not a Combined Authority the SEP highlighted the long history of partnership working as an advantage.

SEPs that mention history of collaboration	Quote from SEP March 2014	LEP has a City Deal	LEP has linked to Combined Authority
Warrington	culminating in Cheshire & Warrington Enterprise Partnership (LEP) (Cheshire and Warrington SEP March 2014)” (p.65)		
Dorset	“The Dorset local authorities have a track record of collaboration to provide services. The opportunity to make a greater collective contribution to economic growth through the LEP and local growth deal are fully recognised, and the local authorities intend to build on the history of collaboration between councils and between local government and the LEP to deliver economic growth and prosperity (Dorset SEP March 2014)” (p.254)	x	x
London	None available	✓	✓

Source: Author's Own

These findings imply that a positive history and culture of collaboration is linked to other benefits in the case of the LEPs which offers validation of the sixth factor within the conceptual model. Government approval for the LEP proposal was secured quickly and those LEPs were also able to benefit from increased devolved powers and funds through their links to the Combined Authority. Most of the LEPs cited included core cities and urbanised areas which again reinforces earlier comments that the English approach to decentralisation favours economic activity clusters around urban areas. These are again issues that required deeper investigation through later stages of the data collection and analysis.

5.3.4 Emerging themes

The conceptual model provided a framework for the initial review of the SEPs but it was important not to be overly selective in choosing data that fitted into one of the six factors. In order to avoid confirmation bias, the researcher needed to ensure they were not 'blinded' by the conceptual

model but also looked for additional themes in the data. Open coding was applied to enable a more inductive approach to the analysis of the SEPs which allowed iterative themes to be observed within the analysis. This was important to shaping the developing conceptual model of place-based partnership.

The first observation drawn from this iterative process was the variability of the plans which follows Pugalis *et al.*'s (2015) earlier analysis of the SEPs. Observations noted in this review highlighted that many read as bidding documents or business plans that set out a series of projects in need of funding. This is important because it indicates that the economic paradigm had not shifted that far in the direction of localism when so many LEPs directed their plans upwards to central government in a bid to unlock funds as opposed to outwards to local partners as a vision and call to action for their area. Several SEPs lacked clarity and included pages of description and broad aspirations for the area without setting out a clear plan for delivery. Those that set out a clear strategic spatial economic plan for their locality with a focus on place and not projects were fewer in number and tended to be those areas that had been in receipt of City Deal funding. They were also those areas that were in the more advanced stages of devolution to a Combined Authority namely Great Manchester, Liverpool, the West of England and Sheffield. Conversely those that were weaker at articulating a vision for their area or offered little detail beyond the description of broad aims included those area LEPs that were newly formed or had not yet been in receipt of City Deal or Enterprise Zone funding. This suggests city region LEPs are further advanced because they were able to access funding ahead of more rural areas and reinforces the ongoing policy focus on urban areas and their agglomeration effects (Turok, 2013; Haughton *et al.*, 2016; Lee 2017).

This links to a second emerging theme, that in the case of the LEPs functional economic space favours city regions. LEPs were given the freedom to select their own spatial boundaries on the understanding that they had adopted a natural economic geography (for example a spatial territory based on travel to work patterns). However, the funding allocations preceding the first Local Growth Fund favoured city regions and the allocation of total LGF (presented in Figure 5.6) showed a similar pattern. The government's model of devolution to Mayoral Combined Authorities (MCAs) similarly favours those areas with large urban unitary authorities that are able to articulate within the SEP the strong ties between the LEP and the Combined Authority which offers a robust form of governance for the LEP:

On 1 April 2014, we will formally establish a West Yorkshire Combined Authority (CA) to provide a robust governance framework for our investments, and

democratic accountability to our decision-making. The new body will help us drive growth by making collective decision-making possible between statutory partners in economic development, regeneration and transport. The decisions of the CA will be fully in line with the LEP's strategic priorities, supported by structures to ensure this is the case (Leeds SEP March 2014, p.133)

There is an established body of literature from the 1990s onwards to support this finding that spatial planning favours city regions not just from the UK but from Europe and the USA (Wheeler, 2002; Albrechts, 2004; Salet and Thornley, 2007; Healey, 2009; Allmendinger, Haughton and Shepherd, 2016). Despite a rhetoric of localism, the findings of the review of SEPs indicate that it is easier for the core city LEPs and LEPs with large pockets of urbanisation to focus on place as a more established form of sub-regional planning and unlock greater freedoms, flexibilities and funding which implies a centralised governance framework remains in place that under values local difference and over focuses on the core city areas (Barca and Rodriguez-Pose, 2012; Hildreth and Bailey, 2013). This is important in the context of research that seeks to understand the factors that underpin effective place-based partnerships and the later rounds of data collection will explore in more detail whether LEPs in city areas are placed at an advantage over their smaller more rural peers. It will be important to explore with the LEP their viewpoints on the move towards devolution to Mayoral Combined Authorities and how those LEPs outside the core cities might be inhibited by such a model as this will influence the feasibility of a model of place-based partnership.

The third theme to emerge was the strong influence of central government which included those based centrally and those in the BEIS Local Growth Teams. Several SEPs placed greater focus on the bid for Local Growth Funds by setting out a series of short term projects. These plans were less clear on setting a vision for the spatial economic development of their area over the longer term. Given that these partnerships were competing for the same finite centrally allocated government resources this focus on meeting the needs of the centre is inevitable but raises the question as to whether this is a conducive environment for effective collaboration.

It also supports the earlier comments on how far the LEPs have come in securing a shift in economic paradigm towards localism when the pull of centre remains strong. This echoes concerns raised in the literature that the creation of LEPs was little more than recentralisation in disguise (Bentley *et al.* 2010; Bentley and Pugalis, 2013; Pugalis and Townsend, 2013; Hildreth and Bailey, 2014). This force appears to be an important factor that influences the ability of the LEPs to perform effectively and the notion of managing the relationship with central government is one that will become

stronger through later stages of the development of the conceptual model.

The fourth emerging theme from the iterative analysis was the reliance on local authority resources to deliver LEP activities and several SEPs referred to the support from the local authorities that bolstered the limited resource made available from central government which often came in the form of finance and secondments of staff to the LEP executive team:

The establishment and operation of the Dorset LEP has thus far been largely underpinned by Dorset local authorities through the dedication of human and financial resources, supplemented by capacity funding from Government.... Despite continuing reductions in budgets which are forecast to continue over the next three years at least, a number of Dorset local authorities have increased their capacity to drive economic growth in line with corporate priorities (Dorset SEP March 2014, p. 252)

In terms of their board membership, the review of SEPs highlighted a number of LEPs who had a greater number of public sector directors which supported earlier research by the National Audit Office (2016b) that identified a number of LEPs with minority private sector board members. This reliance on and greater involvement of the public sector was highlighted as a theme because it jarred with the ethos of the LEP as set out in the early calls from government whose vision was for partnerships led and supported by the private sector. The desk-based review suggests an early indicator of a dominance by the public sector and so the theme was added and explored in greater detail in later stages of the analysis to consider whether this was in anyway an enabling or inhibiting factor.

5.4 Reflection

Sections 5.2 and 5.3. have presented the findings of the desk-based review of the 38 strategic economic plans produced by the LEPs. In seeking to understand the factors that contribute to an effective sub-national economic partnership, the review demonstrates that LEPs embarked on the process of local economic planning and bidding for funds with varying degrees of success. The review provided partial validation of the six factors within the conceptual model but highlighted a number of additional queries that required further exploration through additional stages of data collection summarised in Table 5.5. The open coding revealed some broader emergent themes around the influence of central government, a reliance on the local authorities, and the favouring of city regions. These emergent themes are likely to impact on the LEPs ability to function effectively

and as such needed to be reflected within the conceptual model and warranted further investigation through the subsequent stages of the research.

Table 5.5 Validation of the conceptual model

Factor	Fully validated	Partially validated	Not validated	Further investigation needed into
Leadership			✓ Beyond naming the chair, the SEPs offered no detail on role, recruitment or skill set	Skill set of the chair
Partner Engagement		✓ Mix of members was apparent and suggestion that Triple Helix is being applied but neither overtly stated		Optimum size of board membership Whether the Triple Helix is important to LEPs Possible dominance of public sector
Structure and governance		✓ Majority provided governance arrangements and a structural chart but again no overt mention of the benefits		Advantages and disadvantages of different structures and forms
Vision and strategy		✓ Majority had a vision statement which implies it is considered		Language and content of the SEPs points upwards to the

Factor	Fully validated	Partially validated	Not validated	Further investigation needed into
		necessary		centre Whether the variety and inconsistency in strategies would be helped by clearer guidance
Resources		✓ All refer to resource requirements and some discuss in-kind support and pooled staff resources		The nature and advantages and disadvantages of pooling resources Whether cities are at an advantage over rural LEPs
Culture and context	✓ Several references to building the LEP on existing local collaboration as an advantage			Whether cities are at an advantage over rural LEPs

The desk-based review provided a broad but limited two-dimensional insight into the LEPs. Soft Systems Methodology requires the collation of multiple views and active engagement of participants involved in the problematic situation. To build on this foundation and explore the factors that contribute to effective partnerships in greater depth, the second stage of data collection involved a series of semi-structured interviews undertaken with key stakeholders across 10 LEPs in the Midlands. This chapter turns to present the findings of this next stage of data collection.

5.5 Reviewing ten LEPs

Sections 5.5 and 5.6 cover the second stage of data collection and analysis which involved a series of semi-structured interviews undertaken with key stakeholders across 10 LEPs in the Midlands summarised in Figure 5.8.

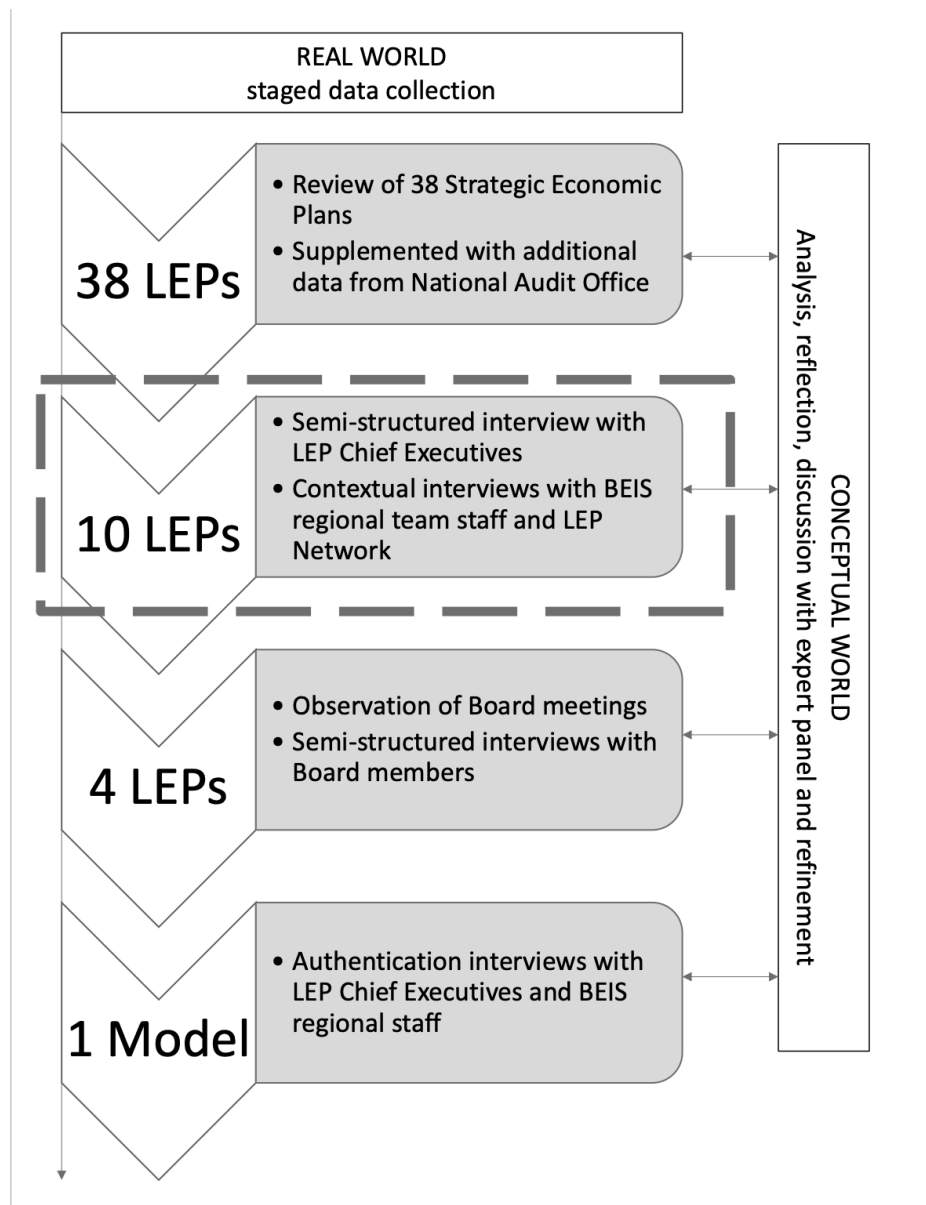
An interview was conducted with each of the 10 LEP Chief Executives in the expectation that they would have a solid and detailed understanding of their partnership. Soft Systems Methodology requires the collation of different worldviews and so these 10 interviews were supplemented by four contextual interviews with representatives from the Department of Business, Energy and Industrial Strategy (BEIS) and the LEP Network. This provided a useful point of comparison and a means of validating the information provided by the individual LEPs. Further detail on the approach has been covered in chapter 3 section 3.4.3.

The interview schedule (a full version is provided in Appendix C) was guided by the key factors of the conceptual model that enable and inhibit partnership working, namely:

- Leadership
- Partner engagement
- Structure and governance
- Vision and strategy
- Resources
- Culture and context

The emerging codes noted in the desk-based review had also been added to the coding frame (Appendix E) but the schedule remained open to respondents providing additional factors so as not to lead the questioning.

Figure 5.8 Second stage of data collection and analysis



Source: Author's Own

5.6 Results

Interviews were coded and analysed to explore the factors highlighted by interviewees as having an enabling or inhibiting influence on LEP effectiveness. This was compared with the evidence from the existing research literature which enabled a profile of each of the 10 LEPs to be produced focused around the six criteria in the conceptual model. Open coding also allowed for a more iterative approach which highlighted emerging themes beyond the conceptual model. The results are presented in the following sections.

5.6.1 Leadership

The presence of effective leadership has been identified as one of the key components of a functional partnership (Carley *et al.* 2000; McQuaid 2009; Hildreth, 2011; Hildreth and Bailey, 2013; Pugalis and Bentley, 2013; Bentley and Pugalis, 2014; Tomaney, 2014; Pike *et al.* 2015). Interviewees were asked to comment on the leadership of the LEP. The LEP Chief Executives and BEIS regional advisors tended to focus their comments on the LEP chair as the key leader and a common set of skills were highlighted across the interviews that were regarded as beneficial in an effective LEP leader and these were considered enablers of effective partnership working. Interviewees stated that the chair should be well-known and respected locally, and several referred to the fact that their chair was locally established and had links to sub-regional partnership for growth that pre-dated the LEP. This is consistent with the literature on entrepreneurial ecosystems that values the presence of a strong group of entrepreneurs who are visible, accessible and committed to the locality (Feld, 2012).

The desk-based review raised a query as to the required skill set of the chair and consistent with trait based theories of leadership (Zaccaro, 2007; Derue *et al.* 2011), interviewees recognised that the chair having a wider set of skills and traits was as, if not more, important than them being from a recognisable local company. Interviewees observed that chairs needed to have strong leadership skills, be patient and able to dedicate sufficient time to the role in order to be a true ambassador for the area. This is consistent with Nelson and Zadek (2000) who placed value on partnerships being led by people with a strong set of leadership skills and characteristics and Carley *et al.* (2000) whose research highlighted the importance of leaders with seniority, but also strong competencies and chairing abilities to drive activity and progress. In the LEP context, the chair's connections to central government were particularly valued and several interviews across the LEPs and within BEIS highlighted political astuteness as a key skill for a LEP chair. Some of the chairs had been part of a spatial growth project that pre-dated the LEP which had enabled them to establish these political reputations which was considered a strength by LEP Chief Executives and BEIS representatives alike:

I think because of the first chairman that we had who was politically connected, very much into local Conservative politics, equally connected into the emerging Cameron, Osborne duo. We did curry quite a lot of interest (Interviewee 10.1).

There was also very good political play from the LEP chair who was very good at having those political conversations. He was very good at understanding where ministers were and being able to match that expectation, more so than I think any of the other LEP chairs. He was the most politically astute both at the Whitehall and at the local end (Interviewee 11).

Conversely, reference was made to chairs that lacked this political awareness and this was seen as an inhibitor and developing stronger influence with central government was highlighted as an area for development for some LEP chairs. These findings provide another indicator of one of the emerging themes of the desk-based review - the influence of central government over the LEPs.

There was a high degree of stability in the chairs across the 10 LEPs and most LEPs had had a single or two chairs since their inception which some LEP Chief Executives felt had enabled the chair to build and establish a level of trust in their leadership. This is consistent with wider research on partnership effectiveness that highlights continuity of leadership as having a beneficial impact on partnerships (McQuaid, 2009):

I think that is a big part of our success, it's the stability and the trust in the leadership (Interviewee 2.1).

However, in those areas that had had more than one chair they spoke of appointing the right chair for the different stages of partnership development. One LEP had had three chairs since its inception and the LEP Chief Executive argued that each had brought a different leadership style and skill set to the role. The first brought pace and energy to assist the set-up, the second brought greater stability and experience and the third attention to detail:

The first chairman was very fast paced and he was just classic entrepreneur, there wasn't anybody that he didn't involve. He resigned, and he was replaced by an existing board director, who was at the other end of the scale very steady state, very traditional, very experienced in knowing how to work in a public private partnership and still get results. So that took us to a different period of much calmer, more stable, professionalised; and we set ourselves up

as a proper company, we drew up the constitution (Interviewee 10.1).

Other LEP Chief Executives similarly commented that as their partnership had evolved, the LEPs role had grown considerably, and so the skill set and quality of the leadership became essential as LEPs took on greater responsibility with the Heseltine Review in 2012 being highlighted as a sea change for LEPs:

It was about a month before the Heseltine announcement - that's when we had a new chairman. There was a change in emphasis which was about the LEP has responsibilities and we now had the leadership to deliver those responsibilities (Interviewee 8.1).

It was commonplace for LEP chairs to be chosen and approached to take on the role as opposed to being recruited through an open process. Most chairs were in the role ahead of central government's tightening of the rules on governance and it is questionable whether this process of selection would sit easily with the government's drive on assurance frameworks and transparency but in the interest of getting the right person for the role is arguably a better process for the LEPs.

The concept of partnership evolution over time was highlighted in the literature review presented in chapter 2 (Lowndes and Skelcher, 1998; Carley, 2000) and the notion of partnership lifecycle as it affects the LEPs was explored by Bentley and Pugalís (2013c) applying the Tuckman model of team development. The research highlights an interesting linked point that as the partnership evolves, the skill set required of the leader changes and a single, constant chair may not necessarily possess the changing skills required. This finding supports the LEP review requirement for LEPs to set a time limit on the term each chair can be in post (MHCLG, 2018).

Several LEP Chief Executives highlighted a need for chairs to understand other LEP partners and empathise with the complexities and challenges some may face. This was notably the case for elected representatives and some LEP Chief Executives felt that if the chair was too 'corporate' or private sector driven with a lack of experience in collaborative working this might be off putting for public sector board members. As such, those chairs that were able to shape a positive collaboration between the public and private sector were valued:

His role as chair has been very much at the heart of the LEPs success. He has done a brilliant job of bringing the public and the private together around an agenda and made it work and so his strong leadership and his championing of the region has played a huge role in the LEPs profile and success (interviewee 3.1).

This finding is supported by the wider partnership literature that identified mutualism as a key component. Plummer and Zipfel's (1998) research into the Training and Enterprise Councils (TECS) found a leader who could support the development of good working relationships between key partners based on co-operation and mutualism had a positive impact on the partnership. They also highlighted the need for partners to have an understanding each other's culture and recognition of the constraints different partners face. McQuaid's (1997, 2009) work exploring partnership success criteria similarly calls for organisations and individual representatives to have the authority and institutional flexibility to engage in mutual decision-making and resource-sharing.

As well as building mutualism, several interviewees commented on the need for the chair to be ambitious, visionary and take a lead in raising aspirations. This suggests that the chair has a clear role in setting the tone and pace for the LEP and there was evidence of the how the drive and determination of the chair had encouraged other partners to deliver with a suggestion that the private sector ethos was having a positive effect on the public sector:

Having the private sector in the driving seat, whether as a figure head or whatever has been the thing that has embarrassed the public sector to speed up we have tried to use that wisely because at the end of the day the public sector are fifty percent of the board but you can use the drive of the private sector to get things done and that's been one of the critical success factors, a real push the boundaries, test and challenge from the private sector (Interviewee 5.1).

Conversely a more conservative leadership style was identified as slowing the pace of the LEP and was considered by some interviewees as an inhibiting factor:

Our current chairman permeates a very considered approach. It's a bit too steady state (Interviewee 10.1).

This linked to a wider frustration voiced by some interviewees that the private sector had not had the expected level of impact on the LEPs. The LEPs were intended to be business led and a private sector leader in the role of chair was one of the government's few stipulations when LEPs were set up. LEP Chief Executives were clear that their leader was from a business background but there was a distinction made between being chaired by the private sector and the LEP being truly business led. LEP Chief Executives were able to highlight an increase in business engagement brought about by the LEPs as a positive contribution but only one of the 10 LEP Chief Executives interviewed stated that their LEP was business led:

I think there is unprecedented level of business engagement in LEPs which I think is really good actually because it has allowed businesses to have the opportunity to engage but I just don't think they are business led (Interviewee 8.1).

This view was shared by government representatives who cited their frustration at the lack of challenge from the private sector over the way the LEP board meeting were operated with the suggestion that many were run in the same format and style as local authority committee meetings that was off putting for business:

I can't think of one that isn't local authority dominated and I think that is what I would like to see flipped because that was always the intention and that was the reason why it was supposed to be a business person chair but even with the way that the boards are set up at the moment it doesn't really give the power to the business side of it (interviewee 11).

The dominance of the local authority over the private sector was one of the emerging themes of the review of SEPs and the first round of qualitative interviews provided further evidence of this theme as a potential inhibiting factor. Most interviewees felt that the accountability for large sums

of public money meant that true private sector leadership was unobtainable and that the LEP model was flawed in that the accountability for public funds would always mean that an elected authority would take a lead role:

There is the tension for LEPs - we are private sector led, they are front and centre stage, they are the eyes and ears, they help guide and set the strategy, but the reality is they are helping to shape and determine spending decisions of money which is ninety five percent public and it's hard for the politicians to allow that (Interviewee 10.1).

There is a growing body of research on place-based leadership that raises similar queries over the capacity for strong local leadership and accountability (Bailey, 2003; Hemphill *et al.* 2006; Ayres, 2014; Bentley *et al.* 2017). Sotarauta and Beer (2017) call for more scholarship on the leadership of places and argues that effective leadership is crucial to the success of places. Bentley *et al.*'s (2017) review of place-based sub-national territories used the conceptualisation of leadership, governance systems and central–local relations as a framework to understanding the influence of systems of governance on the scope for place-based leadership and found a similar strong central influence on English place-based partnerships. The findings from the interviews across 10 LEPs validated the importance of leadership as a key factor in the success of the LEPs as placed-based partnership and provides some insight into the enabling and inhibiting components, summarised in Table 5.6.

Table 5.6 Leadership - validation, enablers and inhibitors

LEADERSHIP	
Validation as a key factor of effective partnership?	Yes
Enablers	Inhibitors
A locally respected, established senior business figure with experience of multi-agency partnership working that pre-dates the role	Big name business without a local connection or commitment
Politically astute with established connections to central	Lack of political awareness and

LEADERSHIP	
government and experience of working with local elected members	connections
Availability of time to dedicate to the LEP	Lack of patience and time to commit to the partnership
Continuity and stability within the role	Instability in the role
But with the ability to adapt skill set to the changing stages of partnership development	Inability to adapt to different stages of partnership development
Ability to select a leader for the required skill set	Open recruitment processes might hamper this
Empathy towards other partners	Apathy towards other partners
Bold, empowered and aspirational	Dominating and controlling OR too steady and conservative
Acting in the wider interest of the partnership - mutualism	Acting in their own best interest

Source: Author's Own

5.6.2 Partner engagement

Plummer and Zipfel (1998) and Carley *et al.* (2000) in their exploration of regeneration partnerships noted the importance of engaging and nurturing a range of partners effectively and called for a balance between being inclusive whilst guarding against unwieldy partnership numbers. The degree to which partners, notably business in the case of LEPs, are engaged and motivated is a valuable indicator of partnership health.

The LEP model, like the entrepreneurial ecosystem, places a strong focus on private sector

engagement (Isenberg, 2010; Feld, 2012) but the engagement of organisations that complement each other's resources and expertise was regarded by interviewees as an important element of maximising the benefits of partnership working. All interviewees stated their LEP had a majority of private sector board directors that was supported by the inclusion of a number of local authority elected members, and representation from higher education. In many LEPs, further education also held a seat on the board and in some the voluntary sector. Some LEPs also invited a representative of the business groups such as Chamber of Commerce onto the board either as a full member or observer. Consistent with the SEP review, the composition of the LEP boards reflected the Triple Helix theory of collaboration (Leydesdorff and Etzkowitz, 1998; Etzkowitz and Leydesdorff, 2000; Etzkowitz and Zhou, 2007) and interviewees highlighted the interaction between business, academia and local government to be the most important to secure. Consistent with research that demonstrates a link between board size and performance (Lipton and Lorsch, 1992; Van den Berghe and Levrau, 2004; Harris and Raviv, 2008; Raheja, 2005), interviewees stated that there had been deliberate attempts made to maintain the board membership to around 15 members, as growing beyond that made the board harder to organise and manage.

Unlike the chair, who in many cases was chosen and approached for the role, most LEP board directors had been recruited by a transparent and open process whereby opportunities were advertised, and applications sought. Interviewees highlighted that board directors were expected to attend and represent a wider group. For example, local authority elected members from a district authority would be expected to speak on behalf of all the districts and often a Joint Committee of Local Authorities had been created to facilitate that consensus. Similarly, a representative from business was expected to reflect the views of the wider contingent of businesses in the LEP area. However, LEP interviewees were keen to highlight that a programme of other activities was critical to securing wider business engagement in the LEP. Feld's (2012) research on entrepreneurial ecosystems values the frequency of events for entrepreneurs to connect and the LEP Chief Executives cited numerous ways in which businesses were engaged in their LEP ecosystems that included:

- business breakfast events
- business debates held across the LEP area
- annual conferences
- joint events with the Chamber of Commerce
- week long business festivals offering a programme of events

The engagement of business was highlighted by many as a critical component for LEPs to secure and given that several of the LEP areas were heavily dominated by SMEs, wider business engagement was considered an ongoing task:

The LEPs USP is about being business- led and conveying the voice of business is absolutely important so those different approaches to engaging with business through different set piece events is crucial (Interviewee 11).

I call it our business legitimacy, so I think that as a LEP if you are saying that you are the voice of this LEP it's not just about those few people that sit around your LEP board table at all, it's about your wider engagement, it's about your consultation with business and we try to make it as wide as possible. (Interviewee 2.1).

Feld (2012) argued that strong entrepreneurial ecosystems should have a deep, well-connected community of business along with engaged and visible investors, advisors, mentors and supporters that cut across sectors. Huggins and Williams (2011) similarly considered that the creation of a local enterprise culture was dependent on a high density of entrepreneurial activity to provide examples of successful venture creation. The findings from the interviews suggest that the LEPs were working towards building that density but that it was a slow process that required continual effort:

We have got fantastic SME champions and that to me is the latent bit of the economy because it's clearly 95 percent of the business base and the appetite and ambition for having more of those SMEs to champion is there, but I think we are probably like most, we struggle with how you get to them, and when you do find them, they are busy running their businesses (Interviewee 10.1).

One of the motivations to participate in an entrepreneurial ecosystem is the willingness to give back to the community (Feld, 2012; Feldman, 2014) and several LEP Chief Executives spoke favourably of the time given freely by their board members. However, there was some reference made to suggest that the motivation to attend might also have been driven by the potential to influence the direction of public funds. One LEP Chief Executive observed that the engagement of

business was difficult to secure in the early days of LEPs but ‘that all changed the more money that came our way’ (Interviewee 5.1). Another expressed concern that under a Combined Authority if the money was taken away from the LEP’s control, then business would lose influence as to how that money was spent and ‘could walk away’ (Interviewee 8.1). This concern is supported by the research conducted by Nelson and Zadek (2000) across of host of social partnerships that combined public-private interests. The study found that business interest declined in the partnership over time except in cases where substantial assets were involved, such as land and property, or where participation offered a gateway to public resources.

Through the interviews it was clear that the requirement for LEPs to be business led had caused tension for other, predominantly local authority, partners who in some cases resisted the need to work with the private sector. However, as LEPs grew in responsibility (and funds), and local authorities faced ongoing cuts, this resistance turned to acceptance. There were also comments that working across a wider spatial area was forcing local authorities who often did not work well together to collaborate:

The world of local government is changing so rapidly with huge budget cuts, I don’t want to say that the government has made them think like this but they now realise that if they want to achieve all their development plans that they do have to consider working in partnership with the private sector (Interviewee 7.1).

I think that is where the LEPs have really added value, where they have made local authorities who wouldn’t previously have darkened each other’s doorstep to work together and to collaborate to some extent (interviewee 11).

That said, tensions between the local authorities within some of the LEPs remained and that was considered to be an inhibitor of LEP effectiveness. This impacted in various ways. Firstly, in terms of representation. Commonly in two-tier authorities, there was a need for a proportion of members to be selected to represent a wider number of local authorities on the board. Mistrust between those authorities meant LEPs were under pressure to increase their representation on the board, which in turn required an increase in private sector board directors to ensure the board had a business majority. This resulted in large and unwieldy board sizes which research has shown

reduces the effectiveness of the board. The alternative to increasing board members was to allow additional members to attend as an observer although this resulted in the same outcome of meetings with 40 plus attendees:

The other thing that's not helped is that where you have got county and districts and where the districts don't trust each other or the county they all want to sit at the table so then you have got this board the size of a small European country trying to make decisions (interviewee 11).

There is always more pressure to have more public sector people than business representation so we have been fighting between every local authority as a member of your board and the fact that you then need to have a large number of business people involved and the whole thing becomes bigger and bigger. If there is one thing that puts business people off its having a board which includes about forty people (interviewee 6.1).

Secondly local authorities failed to collaborate fully and continued to operate in a parochial manner serving their own local community over the greater good over LEP's wider spatial area.

There is a fiefdom type experience with them (local authorities) and they are very determined to get their fair share out of what is happening in the LEP and there is quite a lot of friction you can tell sometimes in the meetings so I think that has caused an awful lot of difficulty for them. When asked about devolution proposals each authority sent in their own separate one (interviewee 12).

Thirdly, considerable time was needed by the LEP executive staff team that supports the operations and management of the LEP, both within and outside of the board meetings to address this. The negotiating and resolving of tension between local authorities drew on the time and resource of a team that as seen in the previous chapter was already limited and comments were made that this stilted the effectiveness of the LEP:

The Local Authorities have not organised themselves well so that has often built up this mistrust and has meant that the LEP executive are spending a lot of time keeping everybody happy and engaged rather than driving forward (interviewee 12).

Fourthly, there was a sense that this impacted negatively on the private sector's level of engagement and contribution to the LEP and some interviewees expressed disappointment that the private sector impact had not been as great as was hoped:

We haven't necessarily changed the landscape as much as I probably would have liked but I think that with the local authority involvement it does slow things down and I think that we could have had more of an impact in getting the private sector to speak more loudly (interviewee 7.1).

Sometimes I think that the pace the private sector and the public sector want to work at don't always correlate and I think the local authorities have too much of a say in the way its run and if it was genuinely commercial it would operate in a whole different way (interviewee 5.1).

There were examples cited of the private sector challenging decisions and pushing the pace and bureaucracy of the LEP. However, interviewees clearly highlighted tensions that existed not just between the public and private partners but also between public sector partners. Large board meetings comprising directors acting in their parochial interest placed a drain on an under-resourced LEP executive team and frustrated private sector partners. As such, for some interviewees these spatial imaginaries were unnatural partnerships coming together primarily for the sake of accessing funding rather than partners within a natural economic geography working together for a common purpose. Here the LEP was failing to gain true advantage from collaboration and rather this slow or negligible progress could be termed collaborative inertia (Huxham and Vangen, 2000).

Conversely, in areas that had a history of working together, interviewees commented that partner engagement and collaboration was productive. In the Black Country, for example, the four

authorities had a long history of operating as a consortium that long pre-dated the LEP. This was highlighted as a partnership enabler which meant established levels of trust between partners enabled them to progress decisions more quickly and gain collaborative advantage (Vangen and Huxham, 2004; 2013). Following the Tuckman model, where LEPs were founded on pre-existing collaborations, partners were able to progress from the norming level and could achieve effective partnership working ahead of those areas where partnerships had to be formed a new (Tuckman 1965, Pugalís and Bentley, 2013c).

There were few comments made about the skills required of board members, but the following qualities were highlighted by some interviewees:

- Trust
- Integrity
- Knowledge and insight
- Committed, active participation within and outside the board
- Patience

McQuaid (2009) noted that continuity of membership helped to build and maintain trust and four interviewees commented on partner retention and succession planning. One LEP Chief Executive spoke of having a succession plan in place that allowed the LEP to be strategic in their approach to board membership and ensure the board was reflective of the local business base. Another spoke of the need to recruit and retain board members who had a genuine passion and energy but were clear on their role. This is consistent with the wider research evidence that suggests that partners must be committed to the vision of the partnership (Rhodes, Tyler and Brennan, 2003) and should possess the power, skills and resources (including networks of influence) to add value to the partnership (McQuaid, Lindsay and Greig, 2005). Earlier LEP research similarly highlighted the need for clarity in relation to role, contribution and ability to make decisions to ensure effective partner interaction (Pugalís and Bentley, 2013c, 2013c; Pugalís and Townsend, 2013; Hildreth and Bailey, 2013; 2014).

There were concerns voiced by some LEP Chief Executives that some partners, particularly those from the public sector, were lacking the drive required and suffering from ‘partnership fatigue’ exacerbated by a background of reductions to public spending:

There are very few real passionate local government leaders that you think 'you are really going to go hell for leather on this'. That can be an inhibitor because I feel as an officer sometimes you are just pushing, pushing, pushing to say 'come on' (interviewee 10.1).

Others voiced concern that replacing vacant board positions was becoming increasingly difficult which echoes Nelson and Zadek's (2000) research that observed a similar declining interest over time. LEP Chief Executives and BEIS interviewees commented that posts were being vacated by members who had joined when the LEPs were newly created at a time when there was less clarity around the time commitments required and breadth of business to be covered. As the LEPs had become more established, the considerable requirements of board members became clear and securing that (unpaid) commitment was considered to be a difficult task particularly for LEPs outside of city regions where there were fewer large and visible businesses to engage:

I think we do find it hard to recruit the calibre of people rather than those who just like collecting committee meetings to go to, there is always those, but the ones that are prepared to make a difference in their own time and do that (interviewee 8.1).

Despite the plethora of businesses out there it's hard for the LEPs to find the right calibre of people, not in the big centres like Birmingham and Manchester, it might be slightly easier in those places (interviewee 12).

Given the increasing difficulty of recruiting and retaining private sector board members it will be interesting to observe how LEPs successful the LEPs are at increasing the ratio of private to public sector membership to 2:1 following the LEP review (MCHLG, 2018).

There were several comments made on engagement with partners from other LEPs, most frequently where borders met or overlapped. In the West and to a lesser extent the East Midlands the fabric of the RDA remained to an extent. In the West Midlands the six LEP Chief Executives continued to meet and interviewees spoke positively about this collaboration. Across the East Midlands, there were also examples of collaboration across borders. The evolution of Combined

Authorities as another tier of sub-national governance was cited as having further encouraged cross LEP collaboration and in the West Midlands the Combined Authority involved three LEPs. Similarly, the Midlands Engine spanned all 10 LEPs and some Chief Executives spoke of how this had prompted them to look across the wider geography for opportunities to collaborate on projects of common interest. However, there was the underlying sense that collaboration beyond historical boundaries was unnatural and driven by the impetus to attract centrally allocated funding:

I don't think they naturally do it and maybe some of that is because government increasingly likes setting places up to compete and submit Growth Deal bids and Regional Growth Fund bids, City deals. So, is collaboration seen as a force for good -does it not come naturally? (interviewee 11).

Certainly, in areas where the LEPs had overlapping geography with another LEP this was considered to be an inhibitor to LEP progress and caused confusion even conflict between LEPs as they competed over resources:

I think it's a turf battle actually and particularly the overlap means we are at war at the moment politically, so we talk a lot about effective ways of working but I just think it's a turf war, we are competing for the same resources (interviewee 8.1).

Overlapping geography does make it a lot more complicated and it would be better if everybody was in either LEP A or LEP B and they work together rather than being in LEP A and LEP B at the same time (interviewee 6.1).

The MHCLG review of LEPs responded to this concern and required LEPs with overlaps to remove them by Spring 2020. The findings from the interviews across the 10 LEPs provided full validation that effective engagement and ongoing commitment of the right partners was a key factor in the success of the LEPs as placed-based partnerships. The detail provided in the analysis points to a number of nuances that provides insight into the enabling and inhibiting components, summarised in Table 5.7.

Table 5.7 Partner engagement - validation, enablers and inhibitors

PARTNER ENGAGEMENT	
Validation as a key factor of effective partnership?	Yes
Enablers	Inhibitors
A mix of organisations that complement each other's resources, knowledge and expertise and reflects the local business base	Organisations that distrust each other can result in overly large boards that impinges on LEP executive time and can deter private sector engagement
LEPs that build on existing collaborations provides an established level of trust	LEPs where collaboration starts from new progress more slowly as they need to build trust
Ongoing and varied programme of activities beyond the board to broaden partnership engagement	Lack of wider engagement stunts awareness of the LEP but engagement takes time and is an ongoing commitment
Trust allows partners to act on behalf of other authorities, business, FE, HE partners	Mistrust results in tension, parochial attitudes and increased board size which slows progress
Partners acting within integrity in the wider interest of the partnership	Partners acting in their own best interest
Partners motivated by common good	Partners motivated by individual/ parochial gain
Board directors have clarity of role and purpose	Increasing breadth and depth to the role makes it a considerable commitment which can be hard to fulfil
Reducing funds forces collaboration across authorities and acceptance grows from	Local authority resistance to collaborate across a

PARTNER ENGAGEMENT	
there	wider spatial area
Consideration given to partner retention and succession planning	Recruiting board members becoming difficult now demands of the role are known
Collaborating across wider spatial or sectoral areas	Overlapping LEP geography causes tensions over competing resources

Source: Author's Own

5.6.3 Structure and governance

Clarity and transparency of structure and governance arrangements is highlighted in the literature as a key factor to partnership success (Plummer and Zipfel, 1998; Nelson and Zadek, 2000; Isenberg, 2011; Pike *et al.* 2015). Structurally all LEPs had a strategic board with a series of sub-groups to oversee delivery and spending and most had joint committees or business boards that existed as branches off the strategic board that allowed wider numbers of elected members or local business representatives to feed into the main board. Some LEP Chief Executives regarded the LEP as structurally complex and the review of SEPs provided examples of this complexity as the Figure 5.9 shows.

Figure 5.9 Structure and Governance of Coventry and Warwickshire LEP

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Source: Coventry and Warwickshire Strategic Economic Plan March 2014

LEP Chief Executives highlighted that managing the complexity of the structure was challenging and managing the sub-groups was a time consuming task for a resource strapped LEP executive team.

So, we are lean on staff but I am not sure I would describe it as lean in terms of its structure and governance. I think that we have evolved quite a large structure. We have a LEP board, we have three pillar boards where the business people are placed and then we have a number of sub boards below the three pillar boards which from an executive point of view is a lot to manage and then we have local authority groups as well so we have a big governance structure (interviewee 3.1).

There was evidence that structurally the LEPs have had to expand in size and become more complex to accommodate the demands of local authorities who have sought representation on the board. This has resulted in a reaction from the private sector who called for leaner structures that allowed for the business of the LEP to be delivered:

We used to have a board that started as twelve and the twelve was judged too small so we added more district councils on and then we added some more business people on to balance it out then the board got bigger and then everybody started to think 'well this meeting is just enormous' the business people just started saying that its ineffective so then we separated that and had a broader engagement board away from the Executive board which is the one that makes all the decisions (interviewee 6.1).

This again calls to mind the research on effective boards (Herman and Renz, 2000; Cornforth, 2001; Minichilli, Zattoni and Zona, 2009) and offers a reminder that complexity and large boards can hamper effectiveness (Harris and Raviv, 2008).

LEP Chief Executives spoke about the organisational structure of their partnerships and, as expected following the review of SEPs, there was a mix of unincorporated partnerships and those that had formed as legal entities in the form of limited companies. The interviews did provide some insight into the relative benefits of different structures and those LEPs that had formed as separate

companies or who had staff employed by organisations other than a local authority commented that this provided a greater level of independence from the local authority:

So, we are not a legal entity, our accountable body is the county council but the fact that we are in a separate office and our staff are Chamber of Commerce means that we see ourselves as the independent strategic body (interviewee 9.1).

I think it's a huge advantage being a limited company. The board wouldn't have wanted to be seen to be linked to any single local authority, we cover a broad area and we have got unitary authorities, districts, overlaps with other LEPs so we wanted to be pretty independent of local authorities and I think it's really helped the LEP to be seen to be impartial, fair, transparent, accountable, all those things rather than being imbedded in a local authority (interviewee 4.1).

Other benefits of forming a separate company for the LEP included greater flexibility, providing insurance in terms of public liability to protect LEP directors, and being able to weather the shifts in government policy better. The only disadvantage noted was that a limited company was subject to tax but with funds still going through the local authority this often was avoided and, in all cases, LEPs were required to name a local authority as their accountable body that was the channel for all LEP funds.

Holman (2013) argues that partnerships need to achieve policy and governance integration and be clear how they fit into the overall matrix of local governance and from the comments made by LEP Chief Executives, the LEPs appeared to be well integrated into the local authority governance landscape. Their funds were overseen by the council and in many cases the local authority employed the staff in the LEP executive team. The impact of this integration with local authority governance arrangements is to be questioned given that the LEPs were intended to be business led, and some interviewees regarded this as an inhibitor that meant the local authority held greater sway over the LEP:

We have done something called the local assurance framework which was put in place and we absolutely stick to that and that gives us independence and the board can't make decisions in an unconstitutional way however I am an employee of the City Council and if they wanted to end my employment they could do so. You are not only accountable to the board at the end of the day you are an employee of the Council, so you don't have independence completely (interviewee 5.1).

I think that the interesting thing is who is the LEP accountable to and who is the board accountable to? Clearly LEP is central government because that is around funding but I think primarily its accountable to the local authorities. I think there is a bit of accountability to the business community but I am not sure it would particularly matter if business turned round and said 'we think this is a basket case' I don't think anything would change (interviewee 8.1).

Geddes *et al.*'s (2007) evaluation of LSPs noted that a 'virtuous' circle occurred when the partnerships were deeply embedded in the local governance landscape as sustainable institutions. However, interviewees questioned the LEP model that was intended to be business led but was heavily reliant on local authorities and favoured a model that enabled LEPs to operate as stand-alone entities that could be funded directly and afford them a greater degree of separation from the local authority. With the local authority retaining the role of accountable body, even setting up as a separate company was considered of limited value and some interviewees expressed concern that any potential benefits of the status would be cancelled out:

We are an unincorporated partnership. We were going to form a company but the advantages have gone as you have to have an local authority as your accountable body anyway so having a company might be nice in one respect but it doesn't really make any difference because all the money has to be handled by a local authority (interviewee 6.1).

The interviewees with LEP Chief Executives and BEIS advisors seems to contradict the view that partnerships should be integrated into the local governance landscape as this increased local

authority dominance of a body that was intended to be business led.

Nelson and Zadek's (2000) factors for partnership success include the strength of the organisation's governance principles. In the spirit of localism, LEPs were deliberately set up with few guidelines and parameters to enable them to develop locally and not be prescribed centrally. The role and remit of the LEPs has evolved considerably since their creation and funds have increased accordingly. As LEPs have matured, central expectations of them have grown and although they retain a level of flexibility, queries have been raised by the Public Accounts Committee, the National Audit Office, and in the popular press as to the lack of accountability that has led to an increase in review and challenge from central government (NAO, 2016a; MHCLG, 2018).

Most LEP Chief Executives commented that their governance arrangements had been reviewed and amended to clarify and tighten procedures relating to areas such as recruitment of directors, decision-making, allocation of funds and transparency of information. This increased momentum around LEP assurance and transparency suggests that the direction of travel is changing from the light touch towards higher expectations and a clearer framework to guide the LEPs. This was supported by the interviews:

I think it is fair to say that the expectations set out and the red lines drawn have definitely increased. (interviewee 12).

Given the rhetoric of localism that surrounded the creation of the LEPs, a favouring of local arrangements over centralised guidance frameworks might be expected but some interviewees favoured an increase in central guidance with the only caveat that it should not result in the LEPs became overly bureaucratic which would be off putting for business. The lack of guidance was seen as an inhibitor to progress; as one Chief Executive explained:

From that first letter from Vince Cable and Eric Pickles which just said 'think about a nice partnership, it has got to be private sector led' that lack of guidance has continued. There was not a lot of guidance around things like the local growth fund process and setting up assurance frameworks and all these things that LEPs have had to do. There could be clearer central guidance (interviewee 4.1).

Bentley *et al.* (2017) urge caution here. Their review of place-based development in sub-national territories argues that government guidance can operate as a means of control whereby a 'lack of a statutory framework and little guidance engendered uncertainty within LEPs' (2017: p.202). They argued that this weakened the LEPs capacity and scope to achieve sub-national leadership.

The devolution landscape has changed considerably since the LEPs were created and so LEPs have had to review their governance and structural arrangements in the light of an evolving Combined Authority. LEP Chief Executives reflected on the implications of these new structures and some felt that these new institutions would resolve some of the challenges facing LEPs. Those with a democratically elected Mayor removed the concerns over transparency that is built into the fabric of a non-accountable LEP model. Combined Authorities, it was argued, could be funded directly and operate at a larger scale that would transcend the criticisms of parochialism levied at the smaller authorities that dominated some LEPs. However, the potential advantages of the Combined Authorities were tempered with concerns from LEP Chief Executives regarding the loss of local knowledge, expertise and business engagement within the model that was regarded as the LEPs great strength:

What I was fearful of is the natural geography that we have got at this local level is going to be less important or less of a priority when you have got the bigger scale [of the Combined Authority] (interviewee 10.1).

Businesses know no boundaries, so all of these structures need to enable growth. I think my feeling for what the LEPs have brought into the mind-set is a greater understanding of business, they are not really interested in your local governance as long as it's fit for purpose and simplified (interviewee 1.1).

This suggests that the LEPs are in a period of transition as they navigate their position in relation to the Combined Authorities. Recalling the partnership lifecycle, this puts them at the adjourning stage of their development as they negotiate their role against the shifting sub-national landscape.

The findings from the interviews across the 10 LEPs provided validation that structure and governance frameworks are a key factor in the success of the LEPs as place-based partnership. The detail provided in the analysis of interview again highlights points to a number of criteria that enable and inhibit effectiveness, summarised in Table 5.8

Table 5.8 Structure and governance - validation, enablers and inhibitors

STRUCTURE AND GOVERNANCE	
Validation as a key factor of effective partnership?	Yes
Enablers	Inhibitors
Clarity as to how the LEP integrates with local governance structures	Too tied to local authority structures and governance can affect ethos of the LEP
Guidance from government from the outset	Lack of guidance from central government
Independence from local authority achieved by consideration of separate company status, location of LEP office, employer of LEP staff	Located in the local authority offices and staff employed by the authority can bind the LEP to the local authority
Streamlined structures	Complex structures are time consuming to manage and resisted by private sector
Regular review of governance as the landscape changes to ensure procedures are fit for purpose	Over bureaucratic procedures will deter the private sector
Alignment with the Combined Authority which has greater accountability with an elected leader which overcomes the in-built challenges of the LEP model	LEP model is reliant on the local authority as accountable body

Source: Author's Own

5.6.4 Vision and strategy

A clear vision and strategic direction has been highlighted as a key ingredient of partnership working (Plummer and Zipfel, 1998; Nelson and Zadek, 2000; Carley *et al.* 2000; McQuaid, 2009; Huggins *et al.* 2014). Only two of the interviewees made direct reference to their vision statements but several

spoke more generally of how the LEP had sought to develop a shared vision for the local area. Some were concerned that the LEP's aspirations were inhibited by key partners within the LEP. Firstly, for some LEP Chief Executives, the local authority board members had lower expectations, or were considered more risk averse and interviewees commented that this tempered the LEP's ambition. Secondly some LEP Chief Executives commented that the chair of the board's leadership style influenced the ethos of the LEP:

The private sector will say we are aspirational and of course our public sector will do the opposite so in my world it will be somewhere in between (Interviewee 7.1).

I sometimes feel they are not brave enough and part of this is how they are lead at Executive level, the power, is that the right word, or the authority that the executive has got (Interviewee 12).

I think at this stage now, we are ambitious with a healthy dose of realism. A lot of that is down to our current chair, (who) permeates a very considered approach. I guess it's a bit too steady state (Interviewee 10.1).

Some interviewees however felt that their LEP was ambitious in its vision and leading the way in developing an aspiration for the area. One LEP Chief Executive saw the vision and strategy as a rebranding exercise for the area that could instil a greater self-confidence locally. Others saw the SEP as an opportunity to drive economic development further than it would otherwise have gone:

We didn't have any kind of partnerships that operated across this area previously but what we did in terms of the evidence was we looked at what we had achieved previously in the past five years or ten years and then looked at where we would want to be. They are stretch targets and the leadership for that particularly came from the LEP (Interviewee 2.1).

We are definitely transformational and with the refresh of our strategic economic plan we have actually bumped up our jobs and growth targets in the

light of the fact that we have achieved strongly (Interviewee 3.1).

Feldman (2014) argues that localities progress when partners work together to develop a shared vision of prosperity and quality of life. Partners need to agree explicitly upon a shared purpose and a strategy for achieving that purpose (Plummer and Zipfel, 1998; Baum, 2000). The process of developing the vision and strategy across the 10 LEPs varied. Some LEPs saw themselves as enablers or as a catalyst that pulled a range of partners with a variety of plans and targets into a single framework for a wider area.

We are there to be the P in the LEP bit, which is the partnership, so we are the point that says 'right okay let's get everybody around the table and lets agree the vision and strategy and how do we now co-ordinate the deliverers, actors so that they all perform their role and remit' and so our role is about what the business, local government, higher and further education needs are and execute a strategy. Our trick has been alignment and that has led to our success (Interviewee 9.1).

There was however some questioning of the LEP's impact and the additionality that could be attributed to the LEP. Whilst the LEP might regard itself as a catalyst, some questioned the extent to which LEPs had the levers to actually make a difference and take credit for any outcomes linked to the targets it set. Some LEP Chief Executives and government advisors questioned the level of added value brought by the LEP and suggested some areas were achieving results because of a local authority that had always been strong on economic development and had been delivering growth plans before the LEP existed. Other areas recognised the value of their natural attributes (infrastructure, transport, skill pool) that placed them in a more favourable position to achieve growth in spite of the LEP.

We are above the national average and our projections indicate that we will remain that way because of the natural attributes that are here, the work force and the potential that is coming through (Interviewee 10.1).

Nevertheless, interviewees saw the LEP's role as galvanising collective responsibility to drive the

vision across a wider spatial area through the delivery of the strategic plan:

I mean the targets around delivering new jobs, new homes it would be challenging to demonstrate that there was a causal relationship between what the LEP has done and the number of jobs that have been created in the area, but the board was clear that the local authority partners took collective responsibility for what was happening across the area (Interviewee 4.1).

The methods used to produce the vision and strategic economic plan varied but commonly included creating a steering group to oversee the development, running a series of consultation events with business leaders across the LEP area, consulting more widely across the Chambers of Commerce, CBI, IoD, and FSB members, recruiting a consultant to run workshops with different stakeholder groups, and hosting a series of thematic and sectoral events. Carley *et al.*'s (2000) research endorses this inclusive approach and found that partnerships that drew together a range of stakeholders to develop a shared agenda and systematic plan were more effective. Some interviewees highlighted that adopting an inclusive approach was an enabling factor that increased transparency and provided a valuable opportunity to develop a wider vision for the area that overcame the tendency for smaller district authorities to focus on their own priorities:

So one district might get two bites of the cherry but the other one can see their project is coming through and they understand what we are trying to do overall (Interviewee 9.1).

Conversely, other SEPs had been allocated to the LEP executive staff team to produce which raised a concern for some interviewees because these were often staffed by local authority secondees with the suggestion that this meant the plans were less ambitious. Relatedly, plans drafted without the active engagement of the board were said to lack ownership and some LEP Chief Executives argued that the lack of partner engagement in the development of the vision and strategic plan had acted as a barrier to ownership:

My overwhelming view is that the partners didn't particularly engage in the

SEP so that comes back to the role of strategy, the role of implementation. I sort of knew they wouldn't engage and it was self-defeating really, some local authority officer probably read bits of it but I am not sure anybody has read it all (Interviewee 8.1).

Interviewees commented that the SEP available at the time of interview was the first one they had produced, and several interviewees queried the purpose and quality of those initial documents. There was a split between some interviewees who saw the need for a sectoral plan as a route to secure business engagement and those that were working towards developing a spatial strategy for the area and were much more place focused seeking to pull the multiple authority economic related plans into a single document. Other interviewees commented that the initial SEP lacked focus or had tried to tackle too many issues and so needed a narrower scope and saw the SEP refresh as an opportunity to be more targeted in approach.

What I would like to look at in the next SEP is really hone down some of the unique things that we can do locally and what some of the much more unique challenges there are. The SEP is a good document, but it's quite broad, it talks about our sectors but it doesn't break that down any further (Interviewee 2).

These findings support the SEP review that found a high degree of variety and inconsistency in strategies and queried whether the process would have been aided by clearer central guidance.

Some interviewees spoke about the process in place to review the performance of the SEP and at the local level some had robust processes in place to monitor and evaluate the SEP's progress on a regular basis. Others made no mention of performance review and feedback from some of the LEP Chief Executives was that the performance management requirements for central government were minimal:

When we submit our growth plan there was no monitoring framework in place at all and it has minimal requirements to demonstrate effective use of public money. It is really very basic to me so we achieved all of our targets in year one (Interviewee 8.1).

However, the regional advisor interviews indicated that the LEPs were being encouraged to reflect and refresh their plans more frequently and some interviewees commented that they were in the process of refreshing the document and reflected that the revised document needed to be more strategic, forward thinking and set a clearer vision for the local area. Some commented that in their original form the SPEs were written as documents to draw down centrally allocated funding, an observation highlighted in the desk-based review and shared by in the interviews with regional advisors:

They are very good at thinking about what their issues are in their locality and what they need to do to solve their issues. Where I have struggled is trying to convince them 'how do you sell putting money into your area as a benefit to the Midlands, benefit to the Midlands Engine, a benefit to the country? What is the bigger return? This money doesn't necessarily have to plug gaps. This money could be used to do something completely different that capitalises on their strengths or creates a completely new opportunity (interviewee 12).

The government's approach to localism has meant that the LEPs have had limited direction and few formal guidelines from central government, particularly in their earlier years. This was evidenced by the fact that some LEPs had refreshed their SEPs at least once whereas others were content with their original submission and were not being required to revise the document:

The previous Secretary of State for Communities and Local Government was very keen to avoid being over prescriptive and setting too many guidelines for LEPs so was very keen that we never really wrote stuff down, we had discussions with them, we coaxed them, we cajoled them, but actually we didn't give them lots and lots of guidance (interviewee 11).

Bentley *et al.* (2017) in their analysis of leadership capacity in sub-national territories, regard the lack of government guidance as a means of control that has meant the LEPs have had to 'learn the game, as [they] play it' (p. 205). Rather than empowering local areas to drive economic growth, the lack of guidance has reduced opportunities for place-based leadership and, alongside other mechanisms such as competitive bidding for centrally allocated funds, acts as a means to retain a

centralist steer over local areas. The interviews with the LEP Chief Executives supports this theory and, in some cases, interviewees called for a greater level of guidance from and dialogue with central government. As one interviewee stated:

I have always wanted someone in government to say 'that's interesting and can we look at this a bit more?' but no one ever does, I could submit nothing except for my quarterly figures and I don't think that anybody in government would ever care really ... I don't get anything back from government saying 'you have done really well this year therefore we are going to give you a bit more money next year' or 'you have not done very well this year and we are going to take a bit away' (Interviewee 8.1).

Another interviewee explained that clearer direction from central government would provide greater opportunities for the centre to understand the activities and detail of the LEPs but would also enable the LEPs to push back against the centralist steer particularly when timescales set for submissions of funding plans were tight. The interviews with regional advisors suggested a frustration from central government with LEPs who have limited vision and a lack of ambition. However, the interviews with the LEP Chief Executives highlighted a frustration at the lack of active engagement and dialogue from central government and the limited formal guidance and feedback appeared to form a key part of this frustration. This finding will be explored in greater detail within the case studies.

To sum up, the findings from the interviews across the 10 LEPs provided validation that vision and strategy are key factors in the success of the LEPs as placed-based partnership. Although interviewees understood the need for clarity of vision and some highlighted the benefit of an inclusive and ambitious approach to strategy, other LEP Chief Executives expressed concern with their processes of strategic development and frustration at central government. The detail provided in the analysis of interviews again highlights a number of criteria that enable and inhibit effectiveness, summarised in Table 5.9

Table 5.9 Vision and strategy - validation, enablers and inhibitors

VISION AND STRATEGY	
Validation as a key factor of effective partnership?	Yes
Enablers	Inhibitors
Vision should set the tone of the LEP and the ambitions for the local area	Vision can be hampered by chair and influenced key players
The LEP acts as a catalyst that can align varied partners around a clear single vision and spatial plan that transcends parochial borders	Partner resistance can occur and the LEP has no statutory authority
SEPs that lock in the targets and plans of partners	SEPs that fail to align with the plans and targets of partners
Plan should be systematic and focused	Several concerns that the SEPs lacked focus and purpose and frustration at the lack of central guidance to help them
Inclusive approach to developing the vision and strategy builds a collective responsibility	Top-down approach to developing the vision and strategy results in a lack of ownership and over influence by a single partner often within the executive team
Robust and regular review and monitoring of the plan locally	But minimal requirement or guidance from central government makes this variable
Partners need to work fast and be adaptable to change in delivery	Government timescales and changing policy exacerbate this

5.6.5 Resources

The range and nature of resources including the support, competencies and capacity of partners is a recognised criterion of effective partnerships (Nelson and Zadek 2000; Carley *et al.* 2000; Pugalis and Townsend, 2013; Pike *et al.* 2015). LEP Chief Executives commented on the availability of support and resources to fulfil the function on the LEP. Most acknowledged that the amount of capital funding allocated centrally to LEPs had increased considerably since the LEPs were set up and that enabled them to deliver on their strategic plans. However, the availability of revenue funding to support operational delivery was limited and all highlighted that the limited amount of core funding provided by government was insufficient to execute a growing body of work. This was felt more acutely in LEP areas that were managing change including LEP mergers and evolving relationships with a Combined Authority.

The interviews highlighted that the size of LEP executive staff teams varied but most core teams were small compared to the size of funds they were responsible for and had fewer than ten staff. Some Chief Executives explained that they had used their funding to buy in additional staff to support marketing activities and most commented that they were reliant on resources from the local authorities to undertake a variety of executive functions including programme and project management, board co-ordination, LEP administration, financial management and reporting. This included both financial contributions to fund the Executive staff team and in-kind secondments of staff to the LEP on an ongoing or project basis. As one Chief Executive explained:

At the time (LEPs were set up) the Council's Chief Executive, looked into his own organisation. The secondment thing I think is a conscious decision around not basically building up a big resource staffing structure knowing that potentially it wasn't going to have the cash to fund it. I am quite clear without the local authorities, county, city and district the thing wouldn't work (Interviewee 10.1).

These findings are consistent with earlier studies that highlight understaffing of LEPs and have found that staff expansion has failed to keep pace with the expanding responsibilities of LEPs (Centre for Local Economic Strategies and Federation of Small Businesses, 2014;

PriceWaterhouseCoopers, 2015). The lack of core revenue funding was acknowledged by all interviewees and whilst two LEP Chief Executives were cautious to avoid a return to the 'flabby olds days of RDAs', there was a general acknowledgment that the funding was insufficient to fulfil the growing work on the LEP and manage the expectations of central government. This had led to a 'beg, borrow, steal' approach that interviewees felt was holding the LEPs back from achieving more:

The LEPs are definitely not resourced to the point where they would be able to fulfil what we expect them to do. I am not really sure how you solve that. For one it is resource funding which is scarce in government anyway (interviewee 12).

I think a lack of resources is really holding them back and I think that LEPs could achieve a lot more if we had a little bit more resource because it's really difficult to actually cover so much ... it is a lot of work and I think all LEPs are very stretched in terms of their resources (Interviewee 4.1).

Mackintosh's (1992) budget enlargement model of partnership working highlights that by working collaboratively partners can access additional resources. Hastings (1996) similarly notes the added value accrued from resource synergy through the co-ordination of partners resources. The lack of core funding for LEPs however has resulted in a reliance on the local authority's resources to do the 'heavy lifting' and there was little evidence in the interviews of other partners contributing to the LEP financially. The reliance on local authority staff was considered as both a help and a hindrance. Carley *et al.* (2000) argues that partnership effectiveness requires partners to have strong personal skills to engage in complex interpersonal and organisational interactions and some Chief Executives clearly valued the strengths of their local authority staff that enable them to deliver complex growth programmes. Interviews argued that staff brought experience and expertise that pre-dated the LEP which was a valuable resource to draw upon. One Chief Executive for example highlighted the loyalty to the area as a key strength:

I would definitely say there is a general personal desire and ambition in our small team to do the right thing, it's like our whole team culture and we are all really loyal to the area, we want to make a difference, we go above and

beyond (Interviewee 10.1).

This implies that there is a tacit knowledge held by the local authority staff seconded to the LEP that is of considered valuable and, as Polanyi (1966, 1997) stated in his seminal work the Tacit Dimension, these staff know more than they can tell and provide valuable human capital. In other areas the reliance on local authority staffing appeared to be less productive and some interviewees commented that when the LEP was set up, the local authorities were suspicious of the concept and had resisted providing any support for it which inhibited early progress:

The accountable body put a person in there and she was the only person to do anything for an awful long time and the other authorities viewed her suspiciously so trying to get anywhere created a lot of difficulty (interviewee 12).

Comments from regional advisors implied that the reliance on local authority resources could result in the LEP adopting a local authority culture that was often less ambitious, and more risk averse. This in turn meant that the LEP was less transformational in its approach which went against the original ethos of the LEPs that were intended to be business led and dynamic in approach:

I think that they are often council or ex council employees who are quite used to doing things in the way that they have always done them and thinking about the constraints on what they do so I do think they are less transformational than I would like them to be and I am always trying to push them to be thinking a little bit more outside of the box (interviewee 12).

So what happens is the transport sub-group will probably be run by the local authority transport experts and the housing and planning sub-group will be run by the local authority housing people and they have needed to rely on that. So that culture shift hasn't quite happened as much as we might have liked (interviewee 11).

Some LEP Chief Executives did refer to adopting a cautious approach but this was in reaction to the

limited core funds available for staffing and a reliance on time limited resources from central government in the form of Growth Deals that made recruitment difficult. Interviewees felt that this did not affect their progress negatively and were able to cite examples of secondments from organisations beyond the local authority including higher education.

Bailey (1994) notes that partnerships can be motivated by a desire to achieve leverage, often in terms of public sector monies being matched and bettered by private sector investment. However, there were few references made to the private sector directly funding the LEP. Leverage may not simply be financial. Access to additional skills, information, political access or business access for the public sector and increased human resources are all recognised as motivating factors (Bailey, 1994; McQuaid, 1994; Lowndes *et al.* 1997) and some LEPs had secured secondments from the private sector to ‘task and finish’ projects but the primary resource provided by business to the LEPs was time:

We did probably a bit more with the private sector in the early days, we had sort of task and finish teams, the private sector would come in but that’s become harder and harder I would say to pin down. We do capitalise on joint working with the private sector but in terms of a body coming in and being given to us by the private sector I don’t think that we have been successful at pulling that off (Interviewee 10.1).

Answering one of the queries raised in the SEP review, three Chief Executives suggested that it was easier for city LEPs to secure the time commitment from business because they were able to attract the larger businesses on their patch who had more staff to lend as opposed to LEPs in rural locations whose business base was predominately SMEs and struggled to commit the time. As such there were few examples of LEPs gaining collaborative advantage or synergistic gain from sharing resources highlighted in Huxham’s (1996) Theory of Collaborative Advantage.

Interviews with the LEP Chief Executives highlighted clear tensions in a localism model that retained a heavy reliance on central government to operate in the form of core funding for Executive Teams and competitive bidding for Growth Funds to deliver strategic plans. Some interviewees expressed frustration at a lack of guidance on what government required of LEP and a lack of transparency as to why all LEPs received the same core funding given their differing size and scale and how decisions were made centrally on the Growth Deal allocations:

How much money is allocated to each area is entirely a political decision. There is no rationale for who gets what in terms of money, it's just a bit of a smoke-filled room somewhere in Whitehall where they just carve it all up (Interviewee 8.1).

Government has not been wanting to impose ways of doing things or giving clear guidance. Whilst I understand that, I think that if they had been a bit clearer about what they wanted and when they wanted it would have been very helpful for all LEPs. When you have got limited resources it is actually much easier if you know what it is that you have got to do and then you can plan for it. So I think a bit more clarity about what government required would have been very helpful (Interviewee 4.1).

This again supports the research of Bentley *et al.* (2017) who pinpoint funding and resources as two mechanisms applied by central government to enable or constrain local autonomy. From the interviews with the Chief Executives funding was considered a constraint and there was concern voiced over the short termism of funding that impacted on the LEP's ability to recruit and retain staff:

It's almost a year on year funding model so the ability to plan a way forward is very difficult (Interviewee 8.1).

The LEP gets a core grant of £250,000 a year and that gets confirmed on an annual basis so you have an issue there of fixed term contracts and when I started we were on one-year fixed term contracts which creates an issue because people look for job security and you end up losing staff (Interviewee 3.1).

The lack of clarity and direction from central government led to concern as to how LEPs might be funded in the long term with some questioning the impact on the LEPs if central funds were allocated through other institutions including Combined Authorities:

If we start to peripherate the funds through different routes we are in trouble and equally there is no Local Growth Fund beyond 2020 so you can see a role for the next two or three years but a question mark beyond that. But at the moment we are the latest thing on the block, and we are cheap, which is good (Interviewee 9.1).

The regional advisors shared the concern as to how the LEP model might become self-financing over time given that that LEPs had struggled to secure financial contributions beyond the local authorities and central government had failed to provide a model to demonstrate how that could be achieved:

The intention was never that central government would 100% fund them because we didn't want them to be creatures of government. We were meant to be one of the partners putting some money in the pot and that was meant to be matched at the local level. But the timing couldn't have been worse. On the other hand we were winding down local authority funding like nothing on earth so their discretionary spend was gone and they were set up at the start of a recession so private companies weren't particularly enamoured about throwing money at some partnership they had never heard of. Each year we have managed to strike a deal for the next few years but there is no money beyond this spending round (interviewee 12).

As power devolves from the centre there is a line that needs to be drawn between central government being overly prescriptive and giving LEPs a helpful steer and the analysis of interviews with Chief Executives suggests that government policy has been too iterative and at times contradictory and, with limited resources, the LEPs would benefit from clearer roadmap over a longer timeframe from central government in order to maximise their ability to lead on local economic development. The LEP review (MHCLG, 2018) provided some clarity but little in the way of detail.

The comments made by interviewees revealed a tension in the LEP model that was in part intended to enable central government to reduce funding and shift responsibility to local partners. Local

authorities face increasing cuts to funding, and the LEPs have been unable to secure significant long-term financial contribution from other partners and so remain dependent on finite and competitive central government allocations and local authority secondments and contributions. The reliance on the local authority influences the LEP culture and favours cities over smaller authorities.

The findings from the interviews across the 10 LEPs provided validation that resources are a key factor in the success of the LEPs as placed-based partnerships but demonstrates clear tensions in the model that warrants further investigation through the case studies. The detail provided in the analysis of interview points to a number of criteria that enable and inhibit effectiveness, summarised in Table 5.10.

Table 5.10 Resources - validation, enablers and inhibitors

RESOURCES	
Validation as a key factor of effective partnership?	Yes
Enablers	Inhibitors
Access to appropriate levels of support, resource and capacity	Annual core funding from central government is insufficient to manage and deliver the work of the LEP
Pooled resources across partners – can be financial but also skills, knowledge, time and expertise are valued contributions	Resistance to fund from partners results in a ‘beg borrow steal’ culture and an over reliance on local authority resources and dependency on central funding
Staff and partners with a history of working locally provide valuable breadth and depth of tacit knowledge	Caution to avoid the local authority culture permeating the LEP – risk averse, bureaucratic, slow

RESOURCES	
City partnerships have greater availability of staff resources to draw upon	LEPs comprised of smaller authorities may struggle
Security and clarity of funding allocations to deliver the long-term vision	Short termism and lack of clarity from the centre inhibits the LEPs

Source: Author's Own

5.6.6 Culture and context

LEPs were asked by government to consider a natural economic geography at the point of set up and favourable local context and a history of positive collaboration have been highlighted in the literature as enabling factors of partnership working (Plummer and Zipfel, 1998; Nelson and Zadek, 2000; Carley, 2000; McQuaid, 2009). Research into LSPs in England identified a vicious circle that hampered the progress of partners in areas where there was no tradition of strategic partnership working and little trust between partners (Geddes, Davies and Fuller, 2007). Similarly, Pugalis and Bentley (2013c) in a review of LEPs highlighted that areas that had a favourable local context and strong, pre-existing institutional network had progressed quicker, and experienced the virtuous circle of collaboration. Those areas with a history of positive collaboration and favourable local ecosystems appear to have responded better to changes in policy than those who carry the baggage of historic political rivalries (James and Guile, 2014; Pugalis and Townsend, 2013; Hildreth and Bailey, 2013).

Several interviewees commented on the boundary of their LEP and noted that it was chosen because it was based on historical patterns and collaborations which included travel to work patterns and cross authority collaboration that enabled the LEP to operate at a more meaningful scale that transcended tensions that existed at a lower level. As two Chief Executives explained:

I was involved on behalf of my local authority from the start when the bid for the LEP was going into government and it was very much around a travel to work geography (interviewee 3.1).

We have a history of collaboration that predates the LEP. Years ago the local authorities didn't get on very well together but the leaders did recognise there were a lot of common issues across the boundaries that didn't have the scale to tackle them and recognised that they needed to work differently (interviewee 1.1).

Conversely those LEPs who formed across a new functional space observed difficulty at the set-up stages and had to spend time building trust between partners who did not have a history of collaboration. This was seen as an inhibiting factor which in some cases resulted in resistance from the local authority to collaborate across a wider scale with some even withholding support for the LEP which stilted progress in the early development stages:

I think those where they have been thrown together either because they were picked 'you will be what I say' or they have tried to be a bit smart about it and it hasn't worked out, I think they are struggling a little bit (interviewee 8.1).

My understanding was that it was enormously difficult to get the local authority partners aligned and working together and I would say to some extent they still don't work together. There is a fiefdom experience with them and they are very determined to get their fair share out of what is happening in the LEP and there is quite a lot of friction in the meetings, so I think that has caused an awful lot of difficulty (interviewee 12).

The concept of trust was mentioned by several interviewees and those areas with established relationships of trust between partners felt that this provided a solid foundation for collaboration. Interviewees mentioned that former decentralised iterations notably the RDA had enabled partners to build trust and establish collaborations across wider spatial imaginaries:

I think that it is much easier for the West Midlands because we have a long established relationship and no matter what people say about Advantage West Midlands we are used to working together and a lot of the people are the same individuals that worked for AWM and are now in some of our LEPs so we all

used to work together before so we trust one another already (interviewee 7.1).

A level of established trust, it was argued, enabled the LEP to absorb and respond to central government changes and requirements more easily and several LEP Chief Executives mentioned that they were in the first round of LEP proposals to be agreed centrally as evidence of this. This finding supports the literature on institutional thickness whereby LEP areas founded on existing collaboration have embedded networks of interpersonal relations with established legitimacy and trust (Amin, 1999).

Several interviewees observed that staff turnover in the area of economic development was low which enabled localities to retain an established body of local experience and knowledge that was adaptable to changes in leadership and policy. Many of those interviewed had worked in a variety of economic development positions across the same area for some considerable time as economic development officers, regeneration and growth co-ordinators. As such the knowledge and experience built over time had been retained in the local staff. This included both explicit knowledge but also the less conscious 'know-how' embodied within these key human resources that was valued by interviewees. This finding supports a body of research that highlights the value of tacit knowledge as a key determinant of the geography of innovation (Polanyi, 1966; Nelson and Winter, 1982; Gertler, 2003).

From Polanyi's (1966) first exploration of tacit knowledge, there has been debate and disagreement regarding its nature. Nelson and Winter (1982) argued that the customs and routines that governed economic development contained a strong tacit component and subsequent theoretical developments around Learning Economies and Learning Regions (Storper, 1995,1997; Maskell, 1999) claim tacit knowledge is geographically dependent whilst the Communities of Practice theory (Amin and Cohendet, 2000) regard it as organisationally dependent. The finding from this research suggest a geographic dependence and concurs with Von Krogh *et al.* (2011) that these individuals play a key role of knowledge-enabler or knowledge-activists acting as agents for the diffusion of tacit knowledge.

Recalling the literature on successful ecosystems and 'sticky places' (Markusen 1996; Feldman *et al.* 2005) the LEP Chief Executives (and other key Executive staff) are knowledge-enablers that function as a glue between partners encouraging them to collaborate beyond their institutional

boundaries which enables partners to reconfigure more easily when new spatial constructs are required by government. This is evidenced by the speedier set up and approval of LEPs that had these staff in key posts and also by their subsequent ability to collaborate with the Combined Authority:

The Combined Authority has given the LEPs a platform and nobody would have thought that they would ever have worked together as well as they have and that has taken a lot of time, energy and knowledge from the same people that are supporting the LEPs [LEP executive staff] and so I think all credit to them (interviewee 12).

I understand all the economic arguments around scale and our natural scale is across the three LEPs but from day one in terms of the West Midlands we didn't deconstruct the RDA furniture completely, we have had from day one a joint LEP Chief Exec meeting and that's the same people (Interviewee 10.1).

Interestingly, in areas with a weaker history of collaboration, devolution plans failed to progress so smoothly (for example the North Midlands and the Greater Lincolnshire Combined Authority proposals collapsed). The retained tacit knowledge and trust between partners within the lower spatial context of the LEP appears to provide a solid foundation for devolution talks to progress and offers one explanation for the disparity in devolution deals to a Combined Authority. The removal of LEPs (at least in the short-term) could inhibit the progress of these wider spatial constructs and the retention of the LEPs is a necessary albeit temporary component to the success of the Combined Authority, a view shared by some of the LEP Chief Executives:

I think there has been so much effort on getting the governance right at the Combined Authority level, we have lost sight that you have got an established network of LEPs that has been going for five years and what you are getting into is battle powers, 'we don't need LEPs now do we?' 'Well actually you probably do'. Okay you might not over time but at this moment in time you need them and what you should be doing is saying 'we are really pleased we have got them, so we can get on with this stuff that we need to do that means

the economy will grow at this level' (interviewee 10.1).

Within their natural economic geography, the LEPs have different benefits and challenges to deal with and some interviewees highlighted socio-economic factors at play within their local area that put them at an advantage or disadvantage. The demography of local residents, their aspirations and abilities; the type and nature of local land, its viability and restrictions placed upon it; the presence or absence of strong higher education institutions were all said to influence the productivity potential of the local area. Across the 10 LEPs interviewed, there were examples provided of areas that considered they had natural attributes that placed them at an advantage and others who observed challenges in the make-up and demography of their local ecosystem, as illustrated in excerpts from the interviews:

They [the LEP] have some interesting issues to deal with; lack of available land, very high levels of poverty, low levels of English in some places. Then you have got somewhere like X that is desperate to grow and develop and got a lot of potential but needs so much investment. Attainment levels are very low, skill levels are generally very low and two generations of people not working through the nineties recession. so there are massive challenges there (interviewee 12).

We have done things quickly here with our growth money, we are spending quicker, and so we are seeing results and that's reflected in our levels of growth where we are above the national average and our projections indicate that we will remain that way but that also because of the natural attributes that we have here, the make-up of work force etc and the potential that is coming through (Interviewee 10.1).

The importance of the local environment was stressed by Nelson and Zadek (2000) who regarded context as key driver of the effectiveness of the partnership that brought both positive and negative outcomes. The literature on clusters and innovation and entrepreneurial ecosystems also reinforces the importance of these influencing contextual factors (WEF, 2013; Stam, 2015).

The findings from the interviews across the 10 LEPs provided validation that local culture and

context are key factors in the effectiveness of the LEPs as placed-based partnership. Those areas with established trust between partners, embedded tacit knowledge in their staff and favourable local context regarded these elements as enabling factors. To summarise the detail provided in the interview, a number of criteria that enable and inhibit effectiveness are provided in Table 5.11.

Table 5.11 Culture and context - validation, enablers and inhibitors

CULTURE AND CONTEXT	
Validation as a key factor of effective partnership?	Yes
Enablers	Inhibitors
Boundaries that build on historical collaboration and favourable local context progress quicker	Boundaries that lack historical collaboration and favourable local context struggle
Partnerships progress where trust is already established	Partnerships struggle where mistrust exists, and trust has to be built
Retained staff act as tacit knowledge enablers who can glue partners together and adapt to changes more easily	New staff do not have the local tacit knowledge so cannot perform this function so easily
LEPs that are founded on a favourable and historical context can facilitate new spatial imaginaries like the Combined Authorities more easily	Areas that lack this history have struggled to secure devolution deals
Natural attributes within the ecosystems are enablers (skill pool, land viability and availability, presence of HE)	Areas that lack natural attributes will be further behind

Source: Author's Own

5.6.7 Emerging themes

In addition to the six themes drawn from the conceptual model, open coding was applied to the

analysis to enable a more reflexive, inductive approach which allowed iterative themes to be observed. A number of themes emerged that overlapped with those highlighted in the desk-based review of SEPs.

Firstly, the interviews across the 10 LEPs again identified the strong presence of central government on the LEPs despite a rhetoric of localism. This manifested itself in various ways including a reliance on central government for local growth funding and through a lack of guidance and direction which hampered progress. As such, when discussing the qualities required of a chair, Chief Executives valued leaders who had strong political connections centrally,

Secondly, the influence of the local authority was again prevalent in the comments of interviewees across several of the themes. In some areas, where LEPs were forming across new spatial territories, the local authority had been resistant to collaboration and withheld support which had stilted progress. Many LEP Chief Executives when discussing resources cited an ongoing reliance on local authority staff and resource which meant LEP executive teams were local authority dominated which in some cases was thought to have a detrimental effect on the culture of the LEP and the way the LEP board operated which was said to be more akin to the style of local authority committees. As such, some interviewees called for the chair to be bold and empowered and lead in the best interests of the area and not to pander to the needs of one particular partner or to the central government.

As one interviewee explained:

I think there is a little bit too much kowtowing to the local authority. If there was anything that I would do it would be to have those chairs feel totally empowered to do what they think is right and not be listening to the councils all the time (interviewee 12).

Thirdly, the LEP model was again highlighted as favouring areas whose natural economic space comprised a city region. This was because these areas had larger unitary authorities with greater numbers of staff to support LEP activity, the presence of larger businesses with more time to give to the LEP and were more likely to have links to higher education institutions.

Fourthly, the theme of a shifting economic landscape came though the interviews with several

comments made about evolving partnerships in the form of Combined Authorities and to a lesser extent the Midlands Engine. There was a sense that the LEPs were adjourning to a new phase in their development. Some saw this evolution as a threat which undermined the role and value of the LEPs whilst others saw the wider spatial areas as giving new impetus to LEPs and a trigger for LEPs to collaborate and work together. The interviews across the 10 LEPs provided validation of the early indication of these emerging themes observed in the desk-based review of SEPs as summarised in Table 5.12

Table 5.12 Validation of emerging themes

EMERGING THEMES	Validated
Retained power of central government	Yes
Strong influence of the local authority	Yes
LEP model favours city regions	Yes
Shifting landscape as LEPs evolve, adjourn in the shadow of Combined Authorities	Yes

Source: Author's Own

5.7 Reflection

The findings drawn from the analysis of the semi-structured interviews conducted across 10 LEPs provides greater insight into each of the six factors proposed in the conceptual model and further evidence of emerging factors highlighted in the desk-based review that influence these sub-national economic partnerships at both a micro and macro level. The findings provide validation that each of the six factors within the proposed model influence the effectiveness of the LEPs and under each factor a number of nuanced criteria have been highlighted.

Soft Systems Methodology encourages further exploration and discussion of the developing conceptual model and to explore and refine further, the views of a diverse range of LEP partners was needed. Given time constraints, a full exploration across the 10 LEPs would have been

problematic and so a further reduction in the number was required which lent itself to a case study design (Stake, 1995). A multiple/ collective instrumental case study design was selected to allow the researcher to gain an understanding of issues beyond the individual cases and develop the model by drawing on different LEP contexts (chapter 3 section 3.4.4 provides the detail).

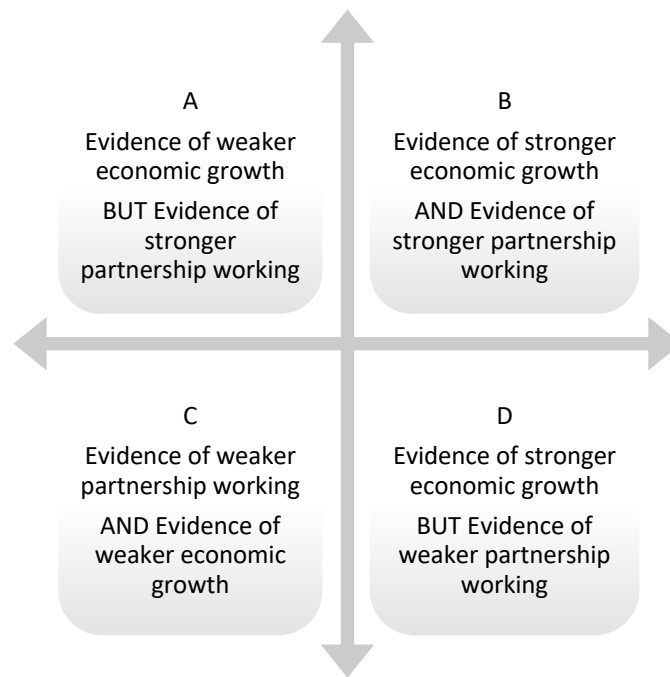
To explore the feasibility and desirability of the conceptual model across a number of different scenarios, different typologies of partnership needed to be selected. Moving back into the conceptual world, the proposition drawn from the literature review was that the right combination of enabling partnership factors provides a more effective sub-national economic development institution that in turn should facilitate sustained economic growth. To select the case studies each of the LEPs were assessed against the proposition and scored on two areas:

- relative partnership strength using the factors within the conceptual model, and
- relative LEP growth outcomes using a range of output measures.

Appendix F provides the full analysis underpinning the selection of cases with a summary of the results presented here.

Data from the review of SEPs and interviews with 10 LEPs was used to identify partnerships who applied the factors within the conceptual model relatively well with corresponding stronger growth outputs, and those who applied the factors relatively poorly with correspondingly weaker growth outputs. The analysis also highlighted a number of LEPs who contradicted the proposition either because they achieved relatively strong growth outputs when the LEP scored poorly against the factors in the model or because they failed to achieve strong growth outputs even though the LEP scored highly against the factors in the model. Using the two scores (relative partnership strength and partnership growth outputs) it was possible to rank the LEPs to give a two-part score whereby 1 equates to the best performing and 10 to the weakest. When plotted, the gradings identified different typologies of performance as pictured in Figure 5.10.

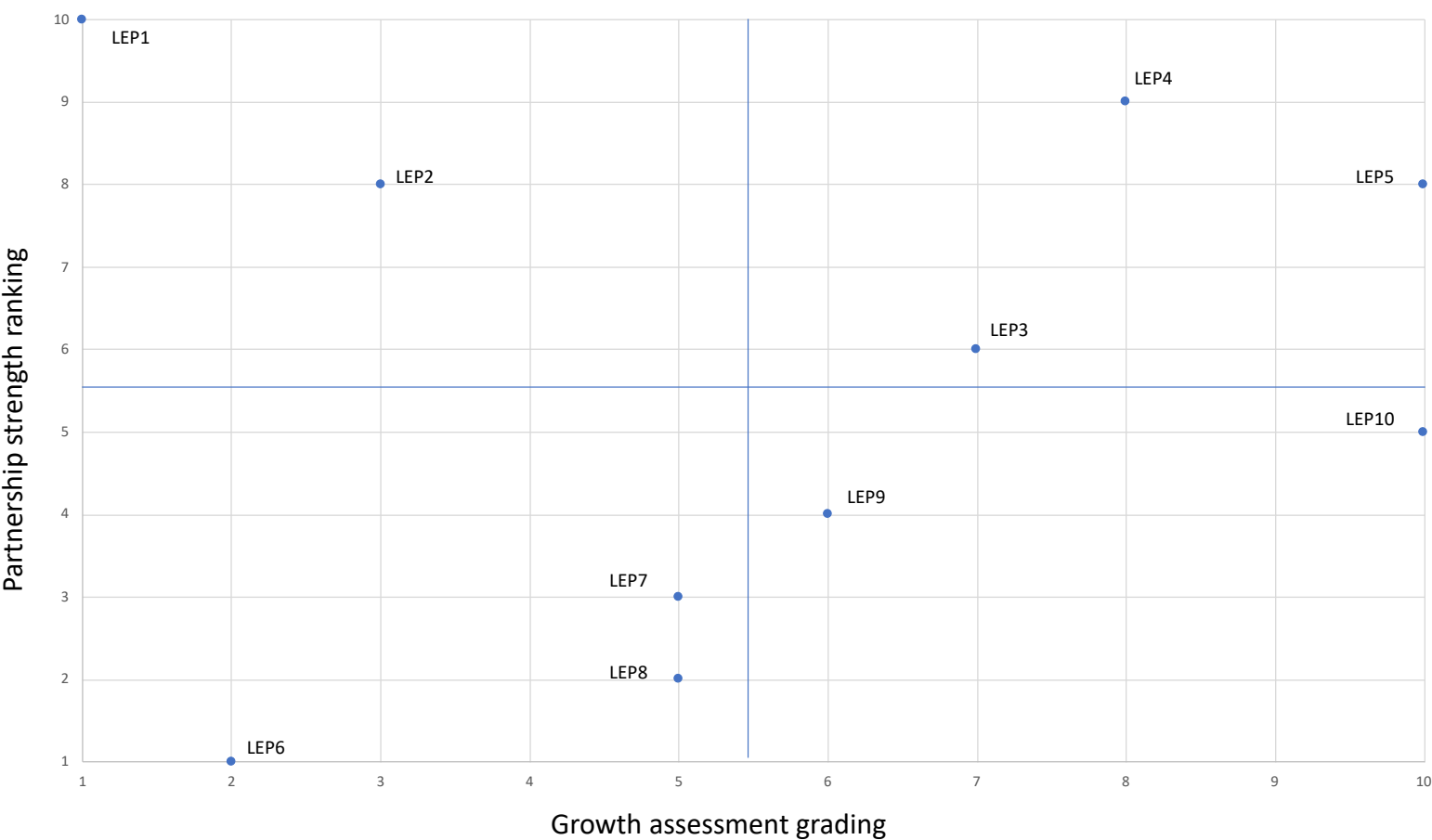
Figure 5.10 LEP typologies



Source: Author's Own

The data was plotted on a graph (Figure 5.11) to show those partnerships that conformed to the proposition that a stronger partnership generated improved growth outputs positively (B) and negatively (C), and those that deviated from the proposition either because their partnership strength did not correspond to a strong growth output (A), or because they achieved a strong growth output in spite of weaknesses in their partnership as identified within the conceptual model (D).

Figure 5.11 Partnership strength by growth outputs



Source: Author’s Own

To continue the development of the conceptual model of place-based partnership, four case studies were selected including both conformist and deviant partnerships and the quadrant was used to select one from each quartile to provide balance, variety and opportunities to learn (Stake, 1995). Consideration was also given to issues of feasibility and pragmatism in that cases needed to be accessible and researchable from a functional perspective and so distance, cost, accessibility and openness of key participants were all considered (Stake, 1995; Baxter and Jack, 2008). The case studies also needed to include a diversity of scale and size: e.g. evidence of natural geography, rural /urban and a diversity of the LEP typologies, e.g. rural, core cities. The final selection is summarised in Table 5.13.

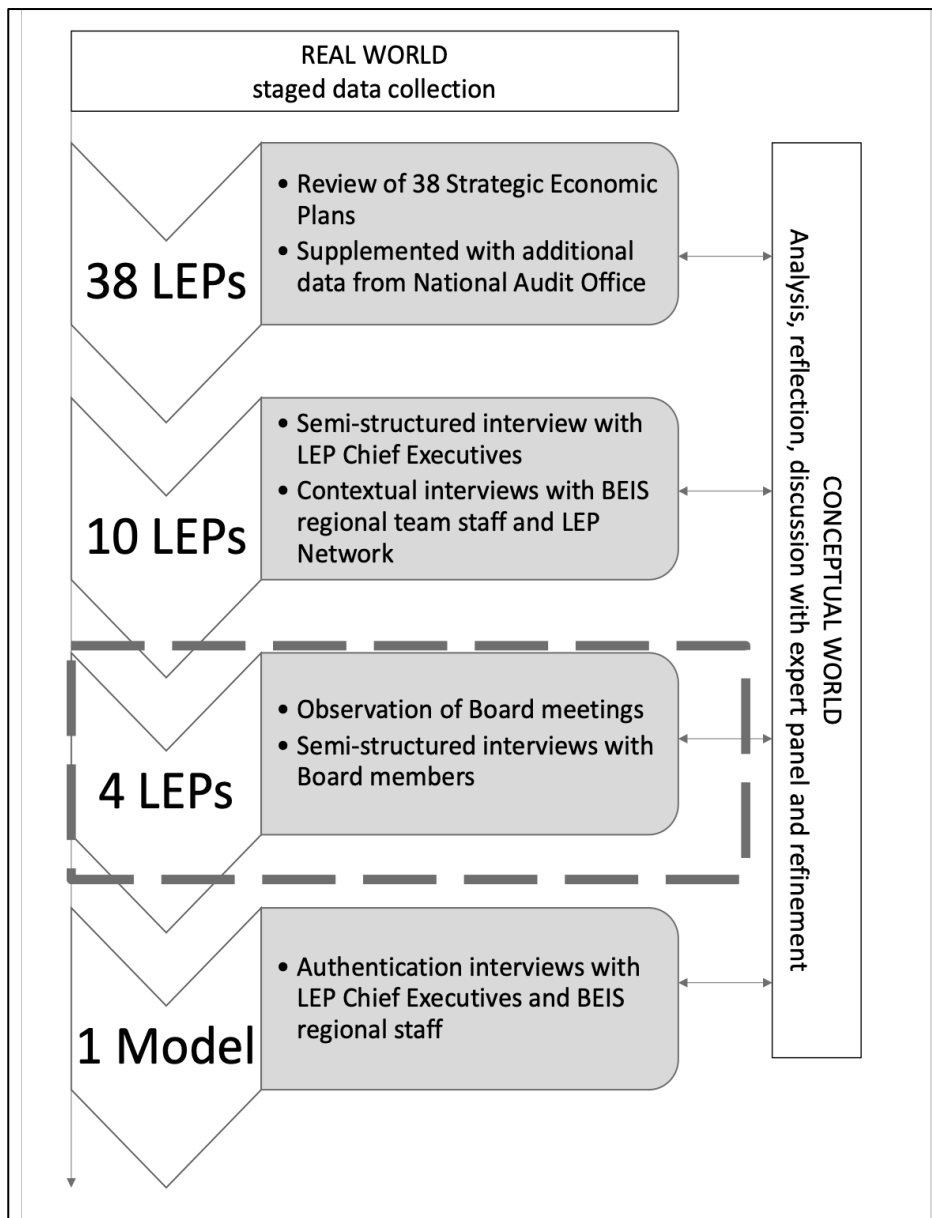
Table 5.13 Selection of case studies

Case Study Code	Typology	Selection	Location
CS-A	Deviant: Lower growth outputs but stronger partnership working	LEP 1	West Midlands
CS-B	Conformist: Stronger partnership working and higher growth outputs	LEP 4	East Midlands
CS-C	Conformist: Weaker partnership working and lower growth outputs	LEP 8	East Midlands
CS-D	Deviant: Weaker partnership working but higher growth outputs	LEP 10	West Midlands

5.8 Reviewing four LEPs

Having selected four case studies, Soft Systems Methodology encourages a move from the conceptual world back into the real world to continue discussion and development of the model. The following sections present the cross case analysis from the next layer of data collected (Figure 5.12).

Figure 5.12 Third stage of data collection and analysis



Source: Author's Own

The case studies each comprised a series of semi-structured interviews and observations. An interview had already been conducted with the LEP Chief Executive and this was supplemented by a number of further one to one interviews with the LEP chair, a board director from the private sector, public sector, and either higher or further education in order to incorporate a wider range of world views (an anonymised framework for the interviewees is provided in Appendix D).

The interview schedule was again guided by the key factors of the conceptual model, namely:

- Leadership
- Partner engagement
- Structure and governance
- Vision and strategy
- Resources
- Culture and context

The schedule was open to respondents providing additional factors so as not to lead the questioning (a full version of the schedule is provided in Appendix C) and interviews were coded and analysed to explore the factors highlighted by interviewees as having an enabling or inhibiting influence on LEP development and progress. Open coding also allowed for a more iterative approach which highlighted emerging themes beyond the conceptual model. Themes were explored by location and by role to allow comparison to be drawn between and within the case studies.

The LEP board interviews were supplemented by the observations of two board meetings for each of the case studies. The inclusion of two board meetings for each LEP allowed the researcher to compare between the two to ensure the meetings observed were common examples. As detailed in the methodology, the researcher maintained a non-participative, overt but unobtrusive approach to the observations which began with descriptive observation, whereby a broad scope observation was first undertaken to get an overview of the setting. The researcher then moved to a more focused observation, where attention was paid to a narrower portion of activities including the number and nature of people who actively engaged as opposed to sitting back during the meeting. Finally during selected observation examples and absence of the key criteria covered by the LEP conceptual model were noted.

5.9 Results

The additional interviews gathered across the four case studies, coupled with the observation notes recorded at the eight board meetings provided points of comparison and validation of the information gathered at the earlier stages of desk-based review and interviews across 10 LEPs. Consistent with the rest of this chapter, the results are presented following each of the six themes of the model with a section on emerging themes.

5.9.1 Leadership

Two of the case studies had retained the same leader (LEP chair) since their creation. LEP 8 had had two chairs and LEP 10 had had three different chairs. In LEP 1 and 4 where the chair had remained the same, consistency in the role was valued by other board directors and considered an enabler by both the chair and their Chief Officer.

I think that having that consistency (in the chair) has allowed us to build relationships and we know where to go in each of the four local authorities to make things happen (LEP 1 interviewee 3).

In LEP 4 interviewees spoke of how the chair had the right mix of qualities, skills and knowledge to see the bigger picture, and take the board on a journey through the stages of partnership evolution and development. Conversely, board interviewees from LEP 10 and 8 expressed the view that the role of the chair shifted as the partnership evolved and that a different skill set and personality was required for the changing stages of partnership development. In LEP 8 there had been two chairs. The first was from a business based locally with a national reputation and this was said to have brought gravitas to the role but once the LEP established the chair lacked the time to commit to the role and a second chair was chosen who had a strong local reputation and was a strong networker and mediator. In LEP 10 the first chair was similarly a well-known figure and a visible local entrepreneur with strong political connections and he was said to have driven the LEP through its forming stages, but the at times chaotic energy and lack of public sector awareness of the individual meant they became unsuitable for the role once the LEP was established.

The second chair brought greater experience of public-private partnerships and established the LEP as a limited company and introduced tighter governance arrangements as the LEP entered the storming stage. However, the firm handed, controlling approach was less necessary as the partnership entered the later stages of its development and so a third chair was in post who was said to bring a steady approach and sense of stability as the LEP continued through the performing stage. The cross case analysis revealed a shared experience between the different typologies of LEP (deviant / conformist) and the findings support the views expressed in the Chief Executive interviews that the leadership style and skill set change as a partnership develops and a single chair might not possess the full requirement. Interestingly, the ministerial LEP review (MHCLG, 2018) suggested that government were likely to introduce term limits for chairs of LEPs. The findings offer

some support for this recommendation but would urge some flexibility for those LEPs that feel the chair remains suitably skilled for the role beyond the term limit given the benefit of stability.

Interviewees across all four case studies recognised that the chair's personality and style influenced the partnership both positively and negatively. In LEP 10 two interviewees pinpointed an example of where the steady and at times cautious style of the chair had influenced the partnership culture resulting in stilted ambition. Interviewees suggested that a leader who could instil confidence locally and centrally might reinvigorate the partnership. This reinforces the findings from the interviews with LEPs Chief Executives and echoes the findings of Pugalís and Bentley (2013c) who applied Tuckman's model of team development to the creation and evolution of LEPs.

The model was refined (Tuckman and Jensen, 1977) to include an additional stage of adjourning whereby the partnership winds down or plans for its succession and Pugalís and Bentley (2013c) note that the adjourning stage was particularly relevant to an English context that had regularly re-organised its sub-national tiers of governance. The interviews with LEP board directors across the case study LEPs provided an indication of how the leadership role may need to evolve again as the LEPs enter the adjourning stage and plan for how they will operate in a shifting landscape of Combined Authorities with a suggestion that the creation of Mayors would bring a new reinvigorated leadership for a wider spatial area:

Part of me thinks if we got a Mayor, not just for us but for somewhere like the West Midlands, which can be down on itself, it would be potentially really good for us (LEP 10 interviewee 1).

Consistent with the view of LEP Chief Executive, interviewees across all four case studies and across all roles within the case studies were unanimous in the view that the chair needed to be politically aware and connected both locally and nationally. Interviewees across all four case studies stated that their chair had these connections to central government, which meant they were able to build confidence locally and centrally:

The chair is well respected across the business community, he has got good links with central government and he gets on well with the local authority leaders (LEP 1 interviewee 3).

This was supported by the observation of board meetings, where each of the chairs from all four LEPs referenced meetings they had had with central government ministers and local key stakeholders:

Well chaired and well organised – the chair provides a solid update for the board and is clearly well connected and talks about meeting with Greg Clark, Lord Adonis, Margot James that have taken place since the last board meeting. So well connected with key players centrally as well as locally (observation notes LEP1 board meeting, November 2016)

Interviewees called for the chair to have experience of multi-agency partnership working and a familiarity of the issues facing the public sector, higher and further education and of the wider business community. LEP 4's chair had previously held senior roles in further education, the public sector and had held non-Executive Director roles with local businesses and this breadth of knowledge was valued by interviewees from education, business and by the Chief Executive and the chair themselves. Having local business connections was cited by public sector board directors as a strength of their chair. In LEP 10, the public sector interviewee valued the local industrial knowledge and experience of the chair and this experience appeared to have given the chair a sense of credibility:

Our chair ... comes from the motor industry So he has got a clear understanding of where he thinks the strengths and weaknesses are of our local economic model (LEP 10 interviewee 5).

Chairs themselves also highlighted the need to have an appreciation of the public sector and an ability to build and maintain effective relationships with local authorities. The chair from LEP 10 highlighted a resistance to business leadership amongst local authority partners but felt they had reluctantly come around to the LEP model. The chair of LEP 1 argued that this was critical to unlocking the local growth potential of the area given that the local authority held several of the levers to affect growth:

Understanding the public sector assets and activities {is important} so that you can harness those in an effective way to be able to create growth (LEP 1 interviewee 2).

This raised a query as to whether the LEPs were being led by business. In terms of the chair only one of the three case studies chairs was actively employed by a local business, the other three were retired but had considerable experience of working in the private sector. Given the time commitment required of the chair this is not surprising, however, few interviewees across the case studies stated that their LEP was business-led. Across the interviews the overriding response was that, whilst LEPs had achieved high levels of business engagement, they were not being led by the private sector. Interviewees from all four case studies indicated that the LEP was being led by the local authority partners who had:

- well established geographical ties
- access to human resources to deliver LEP activities and responsibilities
- politically accountable leadership
- responsibility as the LEP's accountable body

This raises an interesting point as to whether the LEP needs to be business-led. Some interviewees felt business should be leading the partnership because they brought greater drive and ambition that was at times lacking in public sector leaders (LEP 10 and LEP 8). Others felt that the frequent changes to local political leadership would bring instability to the LEP and so having private sector leadership provided greater continuity that had already been highlighted as an enabling factor (LEP 1 and LEP 4). Some public sector interviewees from LEPs 1 and 4 argued that the leader should be chosen on ability and not by delegation. Interviewees from two of the case studies (LEP 1 and LEP 10) drew a distinction between managing and leading the LEP and implied that although the chair was a good manager and able to run the board meetings effectively, they lacked leadership skills or traits to drive the vision for the local area:

Leadership is something more, it is about developing vision and delivering vision and getting the hearts and minds of people to buy in and come with you and I think that is good but I think that we are much more of a functionally transactional LEP than we are a visionary LEP (LEP 1 interviewee 4).

This was evident in several of the observations of board meetings where some chairs, whilst clearly capable at keeping the agenda on time, appeared less engaging and in control than others as the following two excerpts demonstrate:

Chair is competent and credible but partners don't really engage or participate and there is little encouragement of discussion or debate from the chair. As such some agenda items pass through without comment and others have minimal discussion. There is very little comment from the private sector and no sense of the private sector leading the partnership at this meeting (observation notes LEP 10 board meeting, November 2016).

Chair is again well informed and in control of the agenda. They have a thorough understanding of the big picture (responses on NIC, Industrial Strategy) and also the local details (LGF3 funds allocations) (observation notes LEP 4 board meeting, April 2017).

Interviewees from LEP 1 highlighted the benefits accrued when the LEP chair delegated responsibility to other board directors and locked in contribution and commitment from other partners. Interviewees from business spoke of how they held responsibility for sub-groups of the main board and how they valued that role. 'Sharing the load' was said to enable the vision to permeate to other tiers of the partnership and made the responsibility for the SEP a team effort. In LEP 10 business board directors recognised that their chair took on a considerable workload and argued that more could be done to delegate responsibility to other board directors. Leadership is complex; leadership of multi partner organisations even more so and these points suggest that LEPs that engender a great sense of distributed or group leadership (Vangen and Huxham, 2003) secure benefits of commitment and contribution.

Taking the findings of the earlier stages of data collection into consideration there was further validation from both case study interviews and observations of the importance of leadership to the effectiveness of the partnerships summarised in Table 5.14. It was also evident that the importance of leadership and the nuances within that theme were consistent across the cases in both the LEPs deemed to be relatively strong at partnership working and those deemed to be less so.

Table 5.14 Summary of the inhibitors and enablers of leadership validated by the case studies

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
Enablers	Inhibitors			
A locally respected, established senior business figure with experience of multi-agency partnership working that pre-dates the role	Big name business without a local connection or commitment	Yes	Yes	Three of the four chairs were retired and so had the time to dedicate to the role
Politically astute with established connections to central government and experience of working with local elected members	Lack of political awareness and connections	Yes	Yes	Evidence of central and local government influence referenced by interviews and the chair
Availability of time to dedicate to the LEP	Lack of patience and time to commit to the partnership	Yes	Yes	Delegation can free up chair's capacity
Continuity and stability within the role	Instability in the role	Yes	Yes	Two of the chairs had been in the role from the LEPs creation

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
				and viewed it as a strength
But with the ability to adapt to the changing stages of partnership development	Inability to adapt to different stages of partnership development and maturity	Yes	Yes	Life cycle of partnership needs to be considered
Ability to select a leader for the required skill set	Open recruitment processes and term limits might hamper this	Yes	Yes	
Empathy towards other partners	Apathy towards other partners	Yes	Yes	LEP 4 chair in particular had worked across all sectors and this was viewed as a strength.
Bold, empowered and aspirational	Dominating and controlling OR too steady and conservative	Yes	Yes	

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
Acting in the wider interest of the partnership	Acting in their own best interest	Yes	Yes	

Source: Author's Own

5.9.2 Partner engagement

Wider research (Mackintosh, 1992; Jessop, 1998; Bailey, 2003; Pugalis and Bentley, 2013c; Pugalis and Townsend, 2013) highlights the complexity of public-private collaboration and the analysis of the case study data revealed a tension within LEP partnership working. Interviewees from across the four case studies recognised that whilst there was a willingness to work together, there were tensions between public and private sector partners. Two interviewees (both from higher education in LEP 8 and LEP 10) noted that tension was not necessarily an inhibitor of progress but could be considered an indicator of a partnership that had a good mix of partners. Given their differing backgrounds, it was argued that partners should not always agree on matters but the fact that they had come to develop a level of understanding and trust, enabled them to work together and accrue the benefits. The tension was evident in the observations of board meetings but did not hamper progress, rather was indicative of the active engagement as the follow excerpt suggests:

There is a lot of discussion and contribution from partners and at times the debate is hard going and tense with conflict between authorities and between private and public. But chaired well and indicative of different agendas being expressed (observation notes LEP 4 board meeting, February 2017).

This sense of being stronger and achieving more collectively was echoed by some of the LEP chairs and Chief Executives, and by local authority elected members. Continuity of partner membership was referenced as a factor that enabled trust to be established and through the experience of working together, partners were said to have built understanding and a common language:

What actually builds an effective working partnership is trust between the parties. It is the continuity of personalities, it's working together, it's building trust (LEP 1 interviewee 2).

Interviewees from LEPs 10 and 1 referenced a history of collaboration across their geography that pre-dated the LEP that had helped the LEP to progress more quickly. Conversely interviewees from LEP 8 identified the lack of pre-existing collaboration across their LEP boundary as a disadvantage that they had had to overcome.

Interviewees spoke of the need to find the right balance of partners. Interviewees from the private sector wanted to see a board that was reflective of the local area's business composition (LEP 10). Chairs also called for partners who brought a balance of skills and qualities and the ability to work collaboratively in the interests of a wider group and geography. One chair spoke of the need to select business leaders on the basis of their behaviours and ability to engage with both private and public sector partners with a sensitivity to manage elected members regarded as critical. This highlighted again a tension between the need to be transparent and open in board recruitment whilst also allowing for an element of selection and choice to ensure the right balance of board directors is chosen.

Consistent with the literature on board size and performance (Raheja, 2005; Harris and Raviv, 2008; Minichilli, Zattoni and Zona, 2009), interviewees spoke of the need to limit board size to around 15 members to avoid the meetings becoming unwieldy and unproductive. Given the geographic scale of some of the LEPs this meant selected partners attending the board representing the views of a wider group of local authorities, education institutions or businesses. Some questioned how effective this form of representation was and for LEP 8 in particular, who lacked a history of collaboration across the LEP geography, interviewees from the public sector and education commented that the scale was problematic because it did not correspond to their organisational boundaries.

There was also the suggestion that a lack of trust notably between local authorities meant the LEP had to appease calls from all local authorities to have a seat on the board. This had been addressed by increasing the number of attendees at the board and by increasing the number of local authority representatives, the number of private sector members increased accordingly to retain a private sector majority as required by government. Other LEPs increased the number of attendees at the

board with observer status but either way the numbers attending the strategic meetings increased which research suggests is likely to reduce their performance. There was a danger that the function of the board could become lost when the membership became augmented. When meetings lacked the time to enable all attendees to contribute and debate matters fully they ran the risk of becoming a rubber-stamping exercise. This became more likely as the scale of LEP business had grown.

All four LEPs had created a joint committee of local authorities to feed into the board structure that enabled all local authority leaders to meet collectively and gather their views ahead of the LEP board meeting. They were welcomed by the public sector interviewees who regarded them as a way of collaborating across the wider area:

So (I am) very comfortable with the (local authority) joint committee, supportive of that and recognise that we need to work together across the administrative boundaries which may appear on a map but certainly don't appear on the ground (LEP 8 interviewee 5).

Conversely interviewees from the private sector expressed some concern that these structures afforded greater power to the local authority enabling them to organise and collaborate more effectively than the private sector, reducing the influence of the business sector:

We have got this joint committee of the leaders, what is that all about? There isn't an equivalent for the private sector so we run a danger there perhaps that we could have some increased integration between the views of the public sector and the views of the private sector will be diluted because we won't have our act together as much (LEP 8 interviewee 3).

Although some of the case studies had a joint meeting of business board directors ahead of the LEP board this was seen as a way of briefing the private sector ahead of the board and less a means of private sector collaboration:

We have a pre meeting for all the private sector directors before a board just

to go through and help us understand what the key issues are but it's an hour ahead of the meeting and I just don't know that it is enough (LEP 4 interviewee 3).

As such, this enhanced organisation of the public sector provided further evidence of the significant role they play in the LEP which supports the findings of earlier stages of data collection. Furthermore, interviewees pointed to the fact that the allocation of public money to LEPs meant that they needed to be publicly accountable and this placed the local authority again in the stronger position. Local authorities also had a greater resource (both people and time) to allocate to the LEP over their private sector counterparts. These points were evident in the observation of board meetings:

The private sector comment that they aren't engaged in all discussions as well as they could be. It's clear that the public authorities have to be engaged because they are the accountable body for local transport, housing, planning etc. but private sector lacks that accountability and are being overlooked on decision-making (observation notes LEP 4 board meeting, April 2017).

When discussing changes to membership the local authorities are clearly disgruntled at who gets a seat at the table. Also clear they feel they have stronger power given their elected status and everything appears to be going back through their political processes (observation notes LEP 10 board meeting, November 2016).

A local authority Chief Executives group and a local authority joint committee are mentioned. Both seems to have real sway and are consulted on all matters. Not clear that the same is applied to the LEPs business board pre-meeting. Maybe private sector involved here but not clear it is private sector led (observation notes LEP 8 board meeting, March 2017).

Interviewees from two of the case study LEPs queried the calibre of the private sector board directors. Interviewees including the chair, business and local authority representatives from LEP 8 referenced that the LEP had struggled to engage and retain the large international businesses from their area and there was a sense that this put the private sector at a disadvantage to the public sector who were well organised and represented:

I have some questions about how strong the business voice is within this LEP and I particularly have concerns about whether we have got really heavy hitters around the table from the business point of view (LEP 8 interviewee 3).

The organisation and influence of the local authority was cited by some interviewees as an inhibitor to business engagement and leadership of the LEP. One chair spoke of how having spent considerable time persuading a large business CEO of the benefits of joining the LEP had lost their involvement because ‘there was far too much political manoeuvring and business leaders just haven’t got the time or the energy to take that on’ (LEP 8). This situation is likely to become more difficult as the proportion of LEP Board members from the private sector is required by government to increase to two-thirds (MHCLG, 2018).

Beyond the board, case study interviewees from all of the case studies echoed the views of their LEP Chief Executives that truly engaging business was a struggle that required ongoing effort particularly amongst small and medium size businesses where LEP visibility was said to be low. Interviewees referenced a variety of means of engagement including:

- Ongoing programme of publicity and events
- Business engagement group
- Outreach work by Growth Hub advisors
- Business envoy and ambassador programmes
- Strong links to the Chamber of Commerce

However, private sector board members voiced caution over a reliance on the Chamber of Commerce and the Federation of Small Business to reflect the views of SMEs given that many businesses were not part of these membership bodies:

It is really difficult, small businesses just don’t engage. I think as a LEP we engage about ten percent of small businesses and ninety percent of them don’t belong to trade organisations and don’t get involved with the Chamber. So we are reaching out to small businesses but it is a continuing challenge and I am not sure that any of us really know what the answer is (LEP 1 interviewee 3).

There were positive examples of the private sector actively engaging in the LEP and influencing the public sector. Interviewees from two case studies (those that had more established collaboration that pre-dated the LEP) highlighted that the business partners had provided a source of test, challenge, and boldness that pushed the public sector out of its comfort zone (LEP 10). In LEP 1, the interviewee from business and the chair spoke of how the private sector motivated and empowered the public sector and gave an example of how business engagement was having a positive influence on LEP governance and reporting frameworks:

So actually having the private sector on the LEP board I think it gives confidence to the public sector partners to actually get things done and we have set challenging timetables (LEP 1 interviewee 3).

However, some of the interviewees voiced concern that as central government requirements of LEPs had grown this had been accompanied by an increase in requirements around governance and assurance which inevitably meant LEP were becoming more bureaucratic. Some voiced concern that as the business of the LEP had grown, the expectations placed on board members had increased and so keeping on top of the agenda was becoming increasingly difficult:

The complexity and the volume of activity that the LEP is now involved in would make me question whether all board members have been able to develop sufficient knowledge on every aspect which we are deciding on so that the LEP approval is one which is based really on a deep understanding as opposed to superficial understanding (LEP 1 interviewee 4).

With regards to partner engagement, LEPs are a complex web of partners with a mix of motivations and agendas and newly joining partners need time to get up to speed even for those LEPs that cited a history of collaboration (LEP 1 and LEP 10). Similarly, as LEPs have expanded in role, this can be too great a commitment for business. Supporting the findings of the earlier stages of data collection the case study interviews and observations provided further validation of the importance of engaging the right mix of partners to the effectiveness of the partnerships summarised in Table 5.15.

Table 5.15 Summary of the inhibitors and enablers of partner engagement validated by the case studies

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
Enablers	Inhibitors			
A mix of organisations that complement each other's resources, knowledge and expertise and reflect the local business base	Organisations that distrust each other can result in overly large boards that draws on executive time to negotiate and manage the actors which can deter private sector engagement	Yes	Yes	The need for big hitters from business was cited as lacking in two of the case studies (LEPs 8 and 4) and considered an inhibitor
LEPs that build on existing collaborations provides an established level of trust	LEPs where collaboration start from new progress more slowly as they need to build trust	Yes	Yes	LEPs 10 and I cited a history of collaboration as an enabler. LEP 8 formed a new and felt disadvantaged in the early stages
Ongoing and varied programme of activities beyond	Lack of wider engagement stilt awareness of the LEP but	Yes	Yes	Cited by all four case study LEPs

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
the board to broaden partnership engagement	engagement takes time and is ongoing commitment			
Trust allows partners to act on behalf of other authorities, business, FEs HE partners	Mistrust results in tension and increased board size which slows progress	Yes	Yes	Trust takes time to build; tension should be there and is not a negative – it can be an indicator of active engagement (interviews with LEP 1, 8 and 10 and observations of LEP 4)
Partners acting within integrity in the wider interest of the partnership	Partners acting in their own best interest	Yes	Yes	Positive examples cited by LEP 1 and 10
Partners motivated by common good	Partners motivated by parochial gain	Yes	Yes	Positive examples cited by LEP 1 and 10
Board directors have clarity of	Increasing breadth and depth to the	Yes	Yes	Observations in particular

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
role and purpose	role makes it a considerable commitment which can be hard to fulfil			demonstrate local authority partners are already networked and have clarity of purpose; whilst business needs bringing up to speed
Reducing funds forces collaboration across authorities and acceptance grows from there	Local authority resistance to collaborate across a wider spatial area	Yes	Yes	Tension with overlapping geography in LEP 8 clearly evident in observations
Consideration given to partner retention and succession planning	Recruiting board members becoming difficult now demands of the role are known	Yes	Yes	Evidence of increasing board size to appease local authority gripes in LEPs 8 and 10
Collaborating across wider spatial or sectoral areas	Overlapping geography causes tensions over competing resources	Yes	Yes	Central shifts in policy is forcing an appetite for working across wider spatial areas but smaller authorities

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
				disadvantaged by mayoral model (cited by interviewees in LEPs 8 and 4)

Source: Author's Own

5.9.3 Structure and governance

The ministerial review (MHCLG, 2018) required LEPs to have a legal personality such as incorporation as limited companies, or Mayoral Combined Authorities. In terms of the structure of the case study LEPs, three of the four were constituted as limited companies and, consistent with the interviews with LEP chief executives and BEIS representatives, there were mixed views on the discernible benefits of being structured this way. Some felt it beneficial given the breadth and scale of LEP activity (LEP 4 interviewee 2), others felt it was necessary to be able to offer insurance to board directors involved (LEP 10 interviewee 2). One case study valued the separation it afforded the LEP from the local authorities (LEP 4 interviewees 1 and 2) whereas another interviewee from the same LEP argued that the separation made it more difficult to draw on local authority resources. They also suggested central government favoured LEPs who were more closely aligned to local or Combined Authority structures:

Interviewee: As a separate company I think we are viewed slightly different. I think although we have done everything we can to make sure we are compliant (with the assurance framework) but we are still a limited company and therefore how we are viewed by government is different than perhaps a county based LEP would be. I think that perception is slightly different.

Interviewer: For better or for worse?

Interviewee: For worse. (LEP 4 interviewee 3).

This again implied a tension in the LEP model that struggled to be truly locally collaborative when the vertical relationship to the centre remained so strong (Sotarauta and Beer, 2017). Several interviewees (largely from the public sector) voiced concern that considerable amounts of public money had been allocated to a non-accountable body which was considered problematic:

I don't like the LEP model. I think it is not the right model because ultimately you are dealing with taxpayers' money and bringing in people whose expertise is good, I am not knocking that, but I remain to be convinced that we should have people who don't have a democratic mandate to take decisions about how we spend public money, I just don't agree with that (LEP 10 interviewee 5).

As a result, there was evidence of institutional isomorphism at play influencing the LEPs (DiMaggio and Powell, 1983) and the coercive power and influence of central government had placed the LEPs under pressure to conform in their governance arrangements and in all four cases, a local authority had been nominated as the accountable body for the funds.

Interviewees from both business and local authority backgrounds stated that this placed the public sector in a stronger position than their private sector counterparts, providing further evidence of the influential power of the local authority. Geddes *et al.*'s (2007) evaluation of LSPs noted a 'virtuous' circle occurred when the partnerships were deeply embedded in the local governance landscape as sustainable institutions. However, findings from the four case studies implies that some LEPs were overly reliant and embedded in the local authority landscape, and returning to DiMaggio and Powell's (1983) theory of institutional isomorphism, the local authority appeared to have had a mimetic force on the LEPs. In response to a lack of certainty over funding, and poor guidance from the centre these newly formed institutions appeared to have modelled themselves on the local authority. This was apparent in the LEP's approach to governance which followed local authority traditions and procedures rather than the more agile processes of the private sector and two of the four chairs highlighted a need to strike a balance between meeting the needs of the

public sector whilst maintaining the interest and engagement of the private sector:

One must always pay attention to our governance arrangements - business will say 'look we are fit for purpose, let's get on with it' but the local authorities will say 'we need to get this signed off by this committee or through the accountable body and that won't meet for six weeks' (LEP 8 interviewee 2).

Despite the power of the local authority, the influence of the private sector on governance arrangements was evident in the feedback from some interviewees across the LEPs. Business involvement on the boards had helped LEPs to keep governance fit for purpose whilst steering away from over complicated structures and frameworks:

Businesses know no boundaries so all of these structures need to enable growth My feeling for what the LEPs have brought into the mind-set is a greater understanding of business, they are not really interested in your local governance, as long as it's fit for purpose and simplified (LEP 1 interviewee 1).

However, the national guidance on assurance frameworks set out by government (DCLG and BEIS, 2016) and the subsequent LEP review (MHCLG, 2018) required LEPs to review and tighten their governance arrangements which interviewees felt would affect their ability to remain fleet of foot and agile. There was evidence of LEPs adopting clear criteria relating to declarations of interest and funding allocations with transparent processes that in some cases included the review and evaluation of applications for funding by independent consultants and bodies. There were also clear processes for decision-making between the tiers of the LEP structure with decisions made in advisory committees and sub-groups taken to the full board for approval. One of the case study LEPs (LEP 10) had responded strongly to the government's calls for a tightening of assurance frameworks and interviews with the chair and business representative indicated that the LEP was aiming to be the 'best in class' on this issue. This was in part to ensure LEP business was open and transparent but also seen as a way to gain favour with central government that would secure greater funds, freedoms and flexibilities; providing further evidence of the coercive influence of central government.

Some interviewees referenced the use of sub-groups and committees to streamline decision-making and reduce the burden on the main board:

The use of our sub committees has been very important because we expect a lot of the hard work to have been done in those sub committees not in the main board meetings. Main board meetings are to make sure that the strategic overview of the recommendations made by those committees is subject to proper governance (LEP 1 interviewee 2).

However, from the observation of board meetings, the level of information provided to the board varied from short summary papers to lengthy reams of reports and data circulated in advance and some interviewees were frustrated at the volume of information and called for a more targeted and concise approach:

My frustration with the LEP is we get far too many spreadsheets with little figures that you can't really read and don't necessarily tell us anything particularly. There is far too much at the board and probably we need to work around trying to filter that down (LEP 1 interviewee 5).

Others highlighted the positive influence of the private sector on improving the quality and quantity of management information coming to the board meetings and had used the private sector influence to increase the pace of reporting on progress. Given the growth in the LEPs' responsibilities some interviewees expressed concern that board directors faced a challenge in keeping up to date and queried whether they were able to fulfil their role and obligations given the growing body of work. As such two board interviewees stressed the need for clear accountability and assurance frameworks given the organisational multi-layered complexity of the LEP (LEP 8 interviewees). There was also criticism that central government had not provided sufficient guidance on assurance frameworks sooner (LEP 4 interviewee 2). This supports Bentley *et al.*'s (2017) work that regards government guidance (or the lack of) as one of several mechanisms used to restrict the leadership capacity of sub-national territories.

The case study interviews and observations revealed that LEP structures were evolving as the life

cycle of the partnership moved on. Two of the four case studies were directly affected by the creation of a Combined Authority and had reviewed their governance and structural arrangements accordingly:

The structure has evolved, and I think it is comfortable to evolve, it is not stuck in the mud like a lot of other public-sector structures (LEP 10 interviewee 4).

Consistent with the Chief Executive interviews the arrival of Combined Authorities was met with caution and interest. Several interviewees observed that the Combined Authority placed a challenge on the necessity for LEPs whilst others felt they offered opportunities to drive and tackle issues at scale and address some of the issues of governance and accountability that LEPs struggled with.

There was further validation from the case studies of the need for effective but responsive structural and governance arrangements but this highlighted a strong vertical influence from central government and horizontal influence from local government over the LEPs that in some cases inhibited the effectiveness of the LEPs summarised in Table 5.16.

Table 5.16 Summary of the inhibitors and enablers of structure and governance validated by the case studies

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
Enablers	Inhibitors			
Clarity as to how the LEP integrates with local governance structures	Too tied to local authority structures and governance can affect ethos of	Yes	Yes	Forces of coercive and mimetic isomorphism at play vertically and horizontally in all

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
	the LEP			four LEPs
Independence from local authority achieved by location of LEP office, employer of LEP staff	Located in the local authority offices and staff employed by the authority can bind the LEP to the local authority	Yes	Yes	Forces of coercive and mimetic isomorphism at play vertically and horizontally in all four LEPs
Streamlined structures	Complex structures are time consuming to manage and resisted by private sector	Yes	Yes	LEP 1 called for simplicity of structure but interviewees cited the increases in governance requirements as adding to the bureaucracy
Regular review of governance and assurance as the landscape changes to ensure procedures are fit	Over bureaucratic procedures will turn off the private sector	Yes	Yes	Places a strain on already limited resources and capacity

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
for purpose				
Combined Authority has greater accountability with an elected leader which overcomes the in-built challenges of the LEP model	LEP model is reliant on the local authority as accountable body	Yes	Yes	Shifting landscape calls on the LEP to be fleet of foot and adaptive but lack of government guidance criticised (LEPs 4 and 8).

Source: Author's Own

5.9.4 Vision and strategy

An analysis of the case study interviews and observation data coded to vision and strategy confirmed the importance of LEPs having a clear vision for their local area and securing partner commitment to a long term plan. Interviewees from one of the case study areas in particular were clear that the board had a central role in shaping the vision for the local area that could challenge the lack ambition and aspiration often expressed by communities locally. In this sense the board were regarded as a catalyst to drive the vision and raise aspirations of the local area.

Part of our problem is a lack of aspiration in our area and therefore we need to break through that barrier by collectively creating a vision and an ethos where people understand where the money is being spent and why the money is being spent and how they can then support that vision (LEP 1 interviewee 2).

Interviewees from another case study expressed concern that the board were unclear of their vision and that if the LEP failed to understand their point of difference, they were in danger of all trying to be the same. This echoes the findings of the documentation review that found a large number of LEP vision statements aspiring to be the best area for growth.

Consistent with the LEP Chief Executive interviews the production of the plans appeared to have relied heavily on the LEP executive staff team who then consulted with the board, sub-groups and through wider engagement events to varying degrees before the final version was circulated for approval. As such there was mixed evidence of board members actively engaging in the strategic process to draft the vision and strategy and in some cases, there was criticism that the process was over reliant on the LEP executive staff team to the frustration of board members:

No, it has been a little bit top-down. The LEP team got together and said 'right this is our vision and here is the strategic economic plan and here is the documentation and this is what we are (LEP 10 interviewee 3).

Other interviewees cited a more inclusive approach to develop a shared vision and, through the observations of board meetings, there was evidence of inclusive approaches to refreshing the SEP with high levels of discussion at the board meetings over the draft document. In two of the case study areas the revised SEP had been developed through a board away day, sub-group discussions and business engagement forums. Several interviewees commented that allowing the time to engage and secure buy in, meant a greater sense of ownership of the resulting document and vision. This finding supports Carley's (2000) evaluation of urban regeneration partnerships that encouraged consensus building and Plummer and Zipfel's earlier (1998) evaluation of TEC's that highlighted the value of allocating time to develop a shared vision.

Through the interviews it was clear that LEPs had sought to incorporate relevant local authority plans and accompanying targets into the SEPs which was seen as essential to making the plan core and not peripheral activity locally. One interviewee from a local authority highlighted that the LEPs lacked power and although they set the targets in the Strategic Economic Plan they had no real levers to achieve the results without the genuine commitment from partners to take collective responsibility for securing the vision for the wider area:

Bear in mind also the Strategic Economic Plan – the LEP is not a driver for a lot of it, a lot of it is about creating a vision for the area and it is what the chair and then individual partners and councils are doing to achieve that vision (LEP 4 interviewee 5).

Locking in the plans of a group of authorities enabled the SEP to take a wider spatial view beyond the sometimes parochial priorities of individual local authorities. Interviewees regarded securing partner buy in to a wider spatial strategy as a real achievement of the LEP and one that was not easy to secure because of the local rivalries:

One of the things that the LEP said they would do when they were first set up was a spatial strategy for the entire area and that has taken a long time to pull together but it has pulled together and if we think about all the small district councils that there are and all the small people politics that go on, I think that is a real achievement (LEP 10 interviewee 3).

This finding links to Geddes *et al.*'s (2007) evaluation of LSPs that encouraged partnerships to become embedded in the local governance landscape however, earlier cautions regarding becoming overly embedded should be noted here.

Interviewees expressed frustration at their desire to set a long-term vision for the area that was thwarted by the short termism of political office that meant that the local Strategic Economic Plans with their medium to long term strategies sat uneasily against government political cycles:

It is one thing to be told to work out a five, ten, fifteen-year plan. If government then says 'actually we haven't got time for all this, there is an election coming up next May, I want to see that five-year plan reduced into a one-year plan and actually I want to see what can we start digging tomorrow because I need our ministers out there'. What happens is that strategy turns into short term action plans, that isn't how you build long term growth (LEP 8 interviewee 2).

Several interviewees similarly commented that the pace of change impacting LEPs was rapid and so the ability to remain agile and flexible to change was critical. This provides another example of the inhibiting influence of central government over the LEPs ability to deliver place-based development in sub- national territories (Bentley *et al.* 2017).

The ministerial review of LEPs (MHCLG, 2018) introduced an annual economic outlook designed to measure the performance of LEPs with plans to adopt an escalating approach to underperformance. During the observations of board meetings, only one of the four case studies gave any detailed attention to performance management whereby LEP 1 provided in advance a dashboard of progress and these were discussed by the board. At the other three case study board observations there was little discussion of progress against target and any items on impact and outputs were given little attention or detail. As such it was unsurprising that during the interviews, members of two of the LEPs expressed difficulty in trying to evidence the impact of the strategy.

The chair of LEP 1 commented that for areas like theirs that were not natural growth areas, comparing performance against the national average was unhelpful and called for a better way to compare performance across the LEPs. LEPs 10 and 4 similarly commented that it was impossible to isolate the LEP's impact from other factors at the micro and macro level that made it difficult to attribute performance to the LEP. This led to similar difficulties when trying to establish value of money. This goes some way in explaining the similarity in responses presented throughout the case study analysis between those case studies that conformed to the proposition that the right combination of enabling partnership factors provides a more effective sub-national economic development institution that in turn should facilitate sustained economic growth (LEP 4 and 8) and those that deviated from it (LEP 1 and 10).

For LEP 1 the case study interviews and observations demonstrated compliance with each of the factors within the model of place-based partnership and so LEP 1 met the criteria of an effective sub-national economic development institution. However, the LEP's ability to achieve sustained growth remained hampered by local contextual attributes such as poor skills, low literacy and contaminated employment land. For LEP 10 the case study interviews and observations demonstrated lower compliance with each of the factors within the model suggesting less institutional effectiveness however, the LEP's ability to claim sustained growth in the area was in part enabled by the presence of positive local contextual attributes such as skills, land and business base.

A consistent picture emerged across the case studies supporting the factors within the conceptual model of effective place-based partnerships. The inhibiting and enabling influences of effective strategic development are summarised in Table 5.17. However, the wider micro and macro forces highlighted raises a question as to the additionality provided by the LEPs and it will be interesting to explore how the government define under-performance in the annual economic outlook announced in the ministerial review (MHCLG, 2018) to ensure it takes account of institutional effectiveness but also wider factors beyond the LEPs' control.

Table 5.17 Summary of the inhibitors and enablers of vision and strategy validated by the case studies

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
Enablers	Inhibitors			
Vision should set the tone of the LEP and the ambitions for the local area	Vision can be hampered by chair and influenced key players	Yes	Yes	Influence of the local authority who hold the levers and provide the staff to write the plans in many cases can be positive (LEP10)
LEP is a catalyst that can align varied partners around a clear single vision and spatial plan that transcends	Partner resistance can occur and the LEP has no statutory authority	Yes	Yes	Reliance on LEP executive apparent which can be inclusive (LEPs 4 and 1) or top-down (LEPs

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
parochial borders				10 and 8)
SEPs that lock in the targets and plans of partners	SEPs that fail to align with the plans and targets of partners	Yes	Yes	Cited by LEPs 4 and 10 in particular
Plan should be systematic and focused	Several concerns that they lacked focus and purpose and limited guidance to help them	No	No	
Inclusive approach to developing the vision and strategy builds a collective responsibility	Top-down approach to developing the vision and strategy results in a lack of ownership and over influence by a single partner often within the executive team	Yes	Yes	Top-down steers from central and local government were cited across all four LEPs
Robust and regular review and monitoring of the	But minimal requirement or guidance from	Yes	Yes	Concerns over evidencing impact and additionality

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
plan locally	centre makes this variable			cited by LEPs 1, 4, 10
Partner need to work fast and be adaptable to change in delivery	Tight timescales imposed by government and changes to policy	Yes	Yes	Frustration at government cited by LEP 8. Combined Authority could challenge the pace of the LEPs

Source: Author's Own

5.9.5 Resources

Consistent with the research so far, the case study interviewees recognised that the level of central funding for capital projects had increased considerably over the life span of the LEPs and agreed that funds coming through central government were generally sufficient to achieve the aims set out in the Strategic Economic Plans. The interviews and observations confirmed a heavily centralised system of resource allocation whereby LEPs were required to write plans to bid for government funds. Three of the four LEP chairs referred to the Local Growth Fund allocations and all regarded the level of funding secured as an indicator of the regard in which they were held by central government. This was also evident in the observations of board meetings:

The LGF allocation is discussed and clearly seen by the chair as an indicator of strong support from government. The LEP asked for more but so did all LEPs and they believe they have been awarded more than others in the Midlands. Concern voiced that LEPs still reliant on year on year funding (observation notes, LEP 8 board meeting, March 2017).

Consistent with the Chief Executive views, interviewees from all four case studies cited a lack of revenue funding to administer the growing workload of the LEP as an inhibiting factor:

I personally would like to see the (executive) team grow a little bit and probably the government do not want us to recreate an RDA with massive structures and massive overheads but the LEP is run on a shoe string and we do have a challenge to find the money to support it (LEP 1 interviewee 3).

Interviews confirmed that the size of the LEP executive staff team varied but all four case studies expressed concern that they were over stretched with the growing business of the LEP. Interviewees confirmed the view that LEP administration fell to local authority staff who were either seconded directly to the LEP or made available for LEP work. In LEPs that had chosen to recruit staff directly to a LEP executive Team often there were direct financial contributions from the local authorities to support these appointments with recognition that diminishing local authority resources was making this increasingly difficult:

It is really under resourced and there is a little bit of money coming from central government but it's pathetic. So essentially the council pay for that because all of those people are seconded over from the council (LEP 10 interviewee 2).

Several interviewees highlighted that the impact of the reliance on local authority funding impacted the LEP in other ways. It was viewed positively in that by drawing on existing staff with experience of working locally in economic development the LEP benefitted from the extensive knowledge and networks of local authority staff. This was evident from the interviews but also from the observation of board meetings:

There is strong attendance from the LEP executive and it is apparent how much support they bring to the LEP in terms of performance management, evidence reports, sector dashboards, marketing as well as driving delivery. Staff are very credible and knowledgeable which enables full transparency on spend, activity and delivery (observation notes, LEP 1 board meeting, November 2016).

Conversely, in LEP 8 (the conformist case study where partnership progress and growth have been lower) the LEP Chief Executive was recruited to the post from outside of the Midlands and, whilst experienced in economic development, was not from the local area. Similarly, interviews indicated that the LEP executive team had tended to be recruited externally rather than drawing on local authority staff with the suggestion that staff lacked local knowledge and were not locally embedded. This findings add further weight to the evidence of the importance of retaining the explicit and tacit knowledge of these key members of staff (Polanyi, 1997; Von Krogh *et al.* 2011).

Consistent with the views expressed in earlier stages, interviewees suggested that the reliance on local authority staff meant the LEP adopted a similar culture, tone and style of working to that of a local authority that was not necessarily positive. This supports Hasting's (1996) Theory of Transformational Partnerships that distinguishes between mutual and uni-directional transformation. In the case of the LEPs, the local authority is the uni-directional transforming partner and has retained its original style of working. The Theory of Organisations goes further in explaining this isomorphism that has led to the LEPs adhering to the institutional norms and beliefs of a more established organisation. Meyer and Rowan (1977) argue that as new organisations form they are susceptible to being codified into the rules and practices of their larger organisational environment as they seek to gain legitimacy. As relatively new organisations dependent on central government funds, the LEPs were under some pressure to establish legitimacy and alignment to a local authority appears to be a route to securing the confidence of government.

The LEP model of partnership working lacked accountability and had to align to local authority structures to secure resources. However, as Meyer and Rowan (1977) highlight adopting the rules and norms of the local authority in a plight to gain legitimacy does not necessarily equate to adopting the most efficient or best organisational practices, despite being necessary for resource acquisition and survival. March and Olsen (1989) refer to this as the 'logics of appropriate behaviour' that determine how things are done in particular environments. These rules and norms become routine, offer institutional stability and can facilitate changes but the co-existence of 'old' and 'new' ways of working does not always sit easily and can be supported and resisted by different organisations, which impacts on the partnership's ability to achieve transformative performance (Lowndes, 1996; Skelcher and Sullivan, 2008).

The ministerial review (MHCLG, 2018) recognised the need for LEPs to have access to advice and information to make informed and impactful decisions and asked LEPs to 'provide a secretariat independent of local government to support the chair and board in decision-making' (2018: p. 18).

The findings of this research suggest this will be difficult for LEPs to achieve given their reliance on local authority staff. There was also little evidence of direct financial contribution from other partners, and observation of board meetings revealed a reluctance to call upon the private sector to contribute. There were discussions in two of the four case study board meetings as to whether it was realistic to expect the private sector to contribute to the LEP given that so many of the local businesses were SMEs. That said, it was noted in the interviews and at the observations that the in-kind contributions in time, venue, effort and experience were significant and the scale of that contribution was considered extremely valuable:

In terms of resources I suppose the contribution from the private sector isn't often financial but it's that wealth of experience and that insight, that critical review. If you costed that out to an external consultant I dread to think what they would charge (LEP 1 interviewee 3).

Similarly, interviewees cited evidence of improved and more cost-effective uses of public sector resources that had been brought about by partner collaboration and in particular the influence of the private sector:

Certainly, in the early days there was a lot of resistance to providing resource to support the LEP programmes. I think that has completely gone now, I think that they (Local Authorities) have realised that actually there is real benefit (LEP1 interviewee 3).

There was criticism of the restricted time span of centrally allocated funding and of the delays in funding announcements by central government, which meant LEPs had difficulty with long term planning with any certainty. Two interviewees from two different LEPs also observed that the limited and time bound resources for executive function meant the LEP was only able to employ staff on fixed term contracts with modest salary scales which meant the pool of people applying for the posts was limited:

I think that the other thing for me is, coming from the private sector where we

are much more rewarding of the individual with salaries for example, because the LEP are very underfunded they can't pay very well so are not paying decent salaries and not necessarily attracting decent talent which has an impact on our ability to deliver (LEP 4 interviewee 3).

The findings presented from the case studies support the conceptual work of Bentley *et al.* (2017) exploring the mechanism of control used by central government to limit the leadership capacity of sub-national spaces and provides further evidence of the coercive power of the centre. The case studies provided further validations of the inhibitors and enablers of resourcing summarised in Table 5.18.

Table 5.18 Summary of the inhibitors and enablers of resources validated by the case studies

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
Enablers	Inhibitors			
Access to appropriate levels of support, resource and capacity	Annual core funding from central government is insufficient to manage and deliver the work of the LEP	Yes	Yes	All four felt under resourced to deliver the business of the LEP which may influence the calibre and quality of appointments (cited by LEP 4)
Pooled resources across partners – can be financial but also skills,	Resistance to fund from partners results in a 'beg borrow steal'	Yes	Yes	Examples of in-kind from LEPs 1 but all 4 LEPs remain dependent on

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
knowledge, time and expertise are valued contributions	culture and an over reliance on local authority resources and dependency on central funding			central allocations and local authority resources – exacerbated by short termism of political cycles
Staff and partners with a history of working locally provide valuable breadth and depth of local explicit and tacit knowledge	Caution to avoid the local authority culture permeating the LEP – risk averse, bureaucratic, slow	Yes	Yes	Tendency of the LEPs to adopt the organisational norms of the local authority (most evident in LEP 10)
City partnerships have greater availability of staff resources to draw upon	LEPs comprised of smaller authorities struggle	No	Yes	Evident during observations of LEPs 4 and 1
Security and clarity of funding allocations to deliver the long-term vision	Short termism and lack of clarity from the centre	Yes	Yes	Evidence of funding used as a means of control and reward cited by interviewees and in observations of all

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
				four LEPs

Source: Author's Own

5.9.6 Culture and context

Interviewees from across three of the case study LEPs cited a culture of collaboration that predated the LEP that enabled them to work constructively together. This was most notable in LEPs 10 and 1 who regarded an existing culture of collaboration as an enabling factor that meant they were able to:

- absorb local and central political and policy changes more easily (LEP 1)
- achieve more than they would have separately (LEP 1 and 10)
- start from a position of established functionality and familiarity and move more quickly (LEP study 1 and 10)
- draw on staff and people who were locally embedded and knowledgeable (LEP 1, 4 and 10)

This view was shared by all the different types of board directors including Chief Executives, chairs, private and public sector board members and further and higher education representatives. One of the case studies highlighted that the pre-existing collaboration did not necessarily operate smoothly or without tension but that having established links between people within the spatial network meant they were able to present a united outward front:

There has always been a rivalry, it is a bit like brother and sister actually. We will fight amongst ourselves but when it comes to facing the outside world it is very much together (LEP 10 interviewee 3).

The rivalry most notably expressed between the local authorities was evident in the observation of

board meetings where there were clear points of tensions within several of the case study meetings when local authority elected members argued on behalf of their local area over the wider LEP geography:

There are tensions within the meeting and local authority councillors are acting on behalf of their local area and not in the broader interests of the LEP geography. For example, the LEP are exploring a single spatial strategy for the LEP but local authorities are resistant and fear it will conflict with their own plans (observation notes, LEP 10 board meeting, January 2017).

All five of the interviewees from LEP 8 (the conformist LEP where a relatively weak partnership correspond with relatively poor growth outputs) were unanimous in their view that a lack of historical context to their geographical reach had held their LEP back and cited high levels of rivalry and resistance amongst the local authority partners within the LEP. The decision to operate across that particular geography was partially influenced by the Chamber of Commerce who followed a similar boundary but two of the interviewees explained that the proposal was heavily influenced by central government who directed the partners to a scale of geography:

It's not a natural economic geography as it is probably at least two economic geographies ... it was an unholy alliance and an unnatural marriage which we have made work. Government wasn't wrong to say that it would work better together but at the time we were told 'the only way you will have a LEP is if you ... get together' so it was in effect a forced relationship which meant that for a good period of time it was dysfunctional (LEP 8 interviewee 2).

Interestingly a history of collaboration did not equate to a speedier approval by central government across the four case studies in that the LEP that cited a lack of pre-existing collaboration was approved in the first round of government approvals in October 2010 and one of the three case studies that cited a long history of collaboration was approved in the second round in December 2010. This suggests other factors are at play at the macro level and the absence of collaboration was considered a strong inhibitor by LEP 8 who recalled a dysfunctional start with high levels of mistrust and disagreement between partners.

Two of the case studies (LEPs 4 and 8) had overlapping geography with other LEPs and both viewed

this as a problematic cause of friction that was time consuming and challenging. One case study chair felt that overlaps should have been eradicated from the outset by central government (LEP 4), another indicator of the lack of guidance and support at the evolution stage although the ministerial review (2018) has subsequently asked LEPs to remove areas of overlap. The tension caused by overlapping geography was evident in the observation of board meetings and on several occasions considerable time was spent discussing the issue without resolve. It was apparent that the overlapping areas were a source of confusion for business and friction for local authorities.

Interviewees from three of the case studies recognised that the ability of their LEP to transform the local ecosystem was influenced both positively and negatively by factors beyond the sole influence of the LEP. Interviewees from case study 10 and 4 (the case studies that scored relatively high on growth outputs) recognised that their performance was in part assisted by presence of strong local attributes such as the availability of housing and employment land, good transport, energy and digital infrastructure, and the quality of the natural environment which had meant they were more natural growth areas. This view was supported by the analysis of growth data presented in chapter 5 that placed both towards the higher end of performance. Conversely, interviewees from case study 10 and 1 (the case studies that scored relatively low on growth outputs) recognised that areas that faced barriers to growth presented by the type and nature of land or workforce would be unable to address these issues solely at the local level and their performance would be affected. Interviewees from across the public and private sector in case study 1 highlighted the limitations presented by the composition and quality of land and the skill base of their residents which meant performing at the national average rate was a challenge:

The difficulty I think is that this is going to be a ten to twenty-year journey even to attempt to get anywhere towards national averages and of course the better you get the more the averages move away from you. I think it is a big challenge for areas like ours to continue to fight the fight for trying to create a more balanced society if you like in terms of how the growth is impacting on society (LEP 1 interviewee 2).

The findings suggest that local context holds considerable influence over the LEP's ability to achieve its aims and despite having a strong partnership, their ability to transform the local area is hampered by the contextual hand dealt. As such for LEP 1 despite their strength in collaboration,

the growth performance is relatively weak because of the absence of favourable natural attributes. Conversely for LEP 10 despite relative weaknesses in the partnership, the growth performance is stronger in part because of the presence of favourable natural attributes. The government's plan to increase the performance management of LEPs announced in the LEP review (MHCLG, 2018) will need to factor in these issues.

Table 5.19 summarised the validation of the inhibitors and enablers of culture and context provided across the four case studies:

Table 5.19 Summary of the inhibitors and enablers of culture and context validated by the case studies

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?	Further detail
Enablers	Inhibitors			
Boundaries that build on historical collaboration and favourable local context progress more quickly	Boundaries that lack historical collaboration and favourable local context struggle	Yes	Yes	LEPs 1, 4 and 10 cite existing culture of collaboration but old patterns and rivalries remain (local authority, regional collaboration) evident in particular in LEPs 10 and 8
Partnerships progress where trust is already established	Partnerships struggle where mistrust exists, and trust has to	Yes	Yes	This was cited by different types of board directors including Chief

	be built			Executives, chairs, private and public sector board members and further and higher education representatives
Retained staff act as local knowledge holders who can glue partners together and adapt to changes	New staff do not have the local knowledge so cannot knit so easily	Yes	Yes	LEPs 1, 10 and 4 have retained staff and LEP 8 did not.
LEPs that are founded on a favourable and historical context can facilitate new spatial imaginaries like the Combined authorities more easily	Areas that lack this history have struggled to secure devolution deals	Yes	Yes	LEP 8 interviewees cited a lack of historical context to their geographical reach had hampered progress and later attempts at a devolution deal had failed.
Natural attributes within the ecosystems are enablers (land, infrastructure)	Areas that lack natural attributes will be further behind	Yes	Yes	LEP 10 benefits from the local ecosystem whereas LEP 1 is disadvantaged.

Source: Author's Own

5.9.7 Emerging themes

A number of emergent themes had been identified in the analysis of the 38 SEPs and across the

interviews with the 10 LEPs and these were further validated by the data analysed on the four case study LEPs.

Firstly, the power and influence exerted by central government was referenced across the themes presented in the case study analysis which raises a question as to how far the LEP model had been able to achieve localism. Despite criticism by interviewees of a lack of central government engagement and guidance it was apparent in the interviews and observations that central government held considerable influence over many of the factors within the conceptual model of place-based partnership:

- Leadership: although the chair was from a private sector background, their central political links and experience was regarded as key criteria by interviewees
- Partner engagement: LEP board members also needed to have political insight and sensitivity
- Resources: LEPs were under-resourced operationally and heavily dependent on central government allocations via the Local Growth Fund bidding process
- Vision and strategy: central government priorities influenced local strategic plans given that plan approval was reliant on central funding
- Structure and governance: LEPs were under increasing pressure to conform to standards set by central government
- Culture and context: central government favoured larger scale and there was some evidence of LEPs being coerced into working together.

As such LEP progress was to a considerable extent influenced by the coercive force of central government and the analysis of interviews revealed a frustration with central government who remained hierarchical in their mode of governance; as one case study interviewee noted that:

What the LEP is doing is nudging one way or another and shaping as opposed to really having sufficient power to create. You are trying to make a difference within the broader framework and you can only move some of the small pieces locally, you can't move the big pieces nationally (LEP 10 interviewee 4).

Secondly, the power and influence exerted by local government within the LEPs was evident in the analysis of the case studies and in two of the case studies in particular interviewees were clear that

the LEP was being led by the local authority:

Interviewer: Is the LEP led by business?

*Interviewee: No, I think it is more led by the upper tier local authority leaders
(LEP 8 interviewee 5).*

The influence of the local authority similarly impacted across the six factors of the conceptual model:

- Leadership: although the chair was from a private sector background, decisions on strategy targets, and allocation of spend were within the give of the local authorities and the LEP chair had fewer levers in comparison
- Partner engagement: LEP boards had increased in size to accommodate the mistrust and tensions between local authorities. Local authorities were experienced in collaboration and had a stronger mandate so were arguably more influential than other partners
- Resources: LEP executive staff teams were heavily reliant on local authority resources
- Vision and strategy: The responsibility for LEP core targets often sat with the local authority in terms of planning, homes, transport
- Structure and governance: all LEPs had a local authority as their accountable body
- Culture and context: the local authorities within the ecosystem had a history both positive and negative of collaboration that impacted on the LEP.

As such although there were examples of private sector influence over the LEP that brought pace, challenge and change to the parochialisms of the local authorities, the private sector lacked the authority or levers to genuinely lead the LEPs. This links to the third emerging theme of the shifting landscape of place-based partnerships and in particular the impact of Combined Authorities on the LEP. Consistent with earlier findings, some interviewees felt that the Combined Authorities represented a challenge to the need for LEPs and an indicator that government policy was moving on; as one of the local authority leaders suggested:

If you want LEPs to really do something then you have got to give them real power and why would you give real power to an unelected, unaccountable

body? This is why government I think is now moving on. My personal view, I think there is a lot of moving parts around here but if you are having a Combined Authority why would you have a LEP? (LEP 4 interviewee 5).

Other interviewees were critical of the instability brought by the institutional churn (LEP 4 interviewee 4) whilst others (LEP 10 interviewee 2) recognised the shifting landscape as an inevitable stage of the lifecycle of a partnership and encouraged the LEP to review and evolve its role in light of the creation of Combined Authorities. In this sense LEPs were in a transitioning stage and needed to embrace the changes or risk being left behind.

In two of the case studies, who were not yet part of a Combined Authority, there was an appetite for devolution but the scale and local authority make-up of the LEPs meant moving to a Mayoral Combined Authority (MCA) was problematic. Again, this was highlighted as another example of government policy on place-based partnership favouring city regions. There was a sense of inevitability to the institutional churn and the coercive influence of centralism was evident again as several interviewees recognised that Combined Authorities were wanted by central government and so smaller authorities would need to explore a means to form one (LEP 10). That said, both of the LEPs who were not in a Combined Authority had explored spatial developments and collaborations across a wider scale and interviewees could see the benefits in particular in getting local authorities to move beyond their limited boundaries. As such the shifting policy landscape appeared to be encouraging a shift in the parochialism of the local authorities towards collaboration at a wider scale.

Several interviewees expressed confusion as to the role of the Combined Authority and a need for clearer demarcation and clarity of roles and responsibilities (LEPs 1 and 10). Some interviewees restated the value of LEPs operating at the local level which had secured significant levels of business engagement. A concern was raised that the business voice would be diluted in the Combined Authority model and maintaining the LEP was regarded as a means to provide local representation at the Combined Authority and as a way to maintain the business voice. Some interviewees were concerned that the scale of the Combined Authorities would threaten the influence of the LEPs (LEPs 10 and 1) but also reduce the pace at which LEPs were able to work. As political bodies, the Combined Authorities were said to be slower and more bureaucratic and some interviewees saw this as undoing the pace of progress secured by the LEP who were considered fleet of foot by comparison (Pugalis and Townsend, 2013)

Overall, the fragility of the LEP model became apparent through the comments made on Combined Authorities and several interviewees expressed concern that if the centrally allocated funds were channelled through Combined Authorities then the LEPs would soon become redundant:

In effect if Combined Authority gets the money and doesn't allow the business voice to have an influence on what that money does then businesses could walk away (LEP 8 interviewee 1).

The LEP review (MCHLG, 2018) offered some clarity for MCA areas where the LEPs were asked to act as independent business-led scrutiny bodies of the authorities' economic policy. This again highlights a greater accountability and capacity of metro mayors to devise and implement economic policy in their city regions but offers little clarity for non MCAs.

The cross case analysis provided further validation of the influence of the emerging themes identified in earlier stages of the research, summarised in Table 5.20.

Table 5.20 Summary of the emerging themes validated by the case studies

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?
Emerging Themes	Impact		
Retained power of central government	Coercive influence on all six factors within the model	Yes	Yes
Strong influence of the local authority	Mimetic influence on the LEPs	Yes	Yes

Summary of evidence from the 38 SEPs and 10 LEPs		Supported by evidence from the case study interviews?	Supported by evidence from the observations?
Shifting landscape as LEPs evolve, adjourn in the shadow of Combined Authorities		Yes	Yes
Models of place-based partnership (LEP and Combined Authority) favour city regions		Yes	Yes

Source: Author's Own

5.10 Reflection

Moving back into the conceptual world the findings drawn from the case studies supports the earlier stages of data collection and provides further insight into each of the six factors initially proposed in the conceptual model. This adds validation of the factors and supports the emerging themes at play at both the micro and macro level that influenced the effectiveness of these sub-national economic partnerships.

Soft Systems Methodologies encourages the researcher to engage with participants throughout to ensure developing models are both feasible and desirable to the practitioners that will use them (Checkland and Scholes, 1990). The framework of ideas generated through the empirical research was summarised in a short report (appendix G) that was circulated to a member of BEIS staff based within central government policy role, to two BEIS regional office advisors and to all four of the case study LEPs. Informal discussions were then held with the central government and regional office advisors and with two of the LEP case study chief executives. By asking those being investigated to judge the analysis and interpretation themselves and elicit critical comment on the findings, the validity of the data and conclusions drawn could be further assured. Overall the feedback confirmed the findings and supported the usefulness of a conceptual model. One of the respondents

commented that:

In terms of the usefulness of this to external parties it might be very timely and very useful, given the changes that are going on. It would potentially be very useful for the LEPs themselves and for others like external stakeholders and partners (Interviewee 11).

The Local Industrial Strategy (LIS) (Her Majesty's Government, 2017) implied that government remains firmly committed to Local Enterprise Partnerships. However, concerns over their accountability and transparency remained and the LEP review (MHCLG, 2018) included a series of changes to roles and responsibilities for LEPs to implement but again government offered little guidance on how these changes might be implemented.

Against this backdrop, for individual LEPs the developing conceptual model could be used a tool to guide self-assessment and peer review. Feedback from those commenting on the model supported this view. One respondent commented that there was a lack of information sharing between LEPs and suggested that the model could address this. One of the case study LEPs responded that a model would provide a useful tool to review the partnership either on an individual level in order to guide the process of continuous improvement or to assist a peer review discussion with a neighbouring LEP.

I think using the model across the criteria, to explore the successes, and the challenges that we have faced would be helpful. It is about a recognition that this is a point in time and almost use the model to conclude with some options on which way you go. It is something that we could use with the board that says 'look this is a reflective piece but also gives you the opportunity to think about something which is for the future' (Interviewee 10.1).

For central government policy makers and advisors based at a regional level there was the suggestion that the model could provide a more objective approach to assessing the LEPs:

It (the model) is definitely something very practical that we can apply. I think it

would be a good way of sharpening up our own assessment of the LEPs. When we do the annual conversations, we have some broad ideas in our minds that we use when we are going through the motions of talking to them but having something that is a bit more structured that perhaps gets us to work through the model, I think that we would find that helpful (Interviewee 12).

If they were to review themselves against the model and then we then did it, it is something for us to talk through ... It takes the heat out of it because you can focus on the model (Interviewee 11).

Given the increasing pressure of LEPs to provide assurances around their transparency and value for money, the model could enable policy advisors to benchmark LEPs and report on their performance. In this way, regional staff could provide feedback to LEPs on how they perform against other areas:

Often LEP chair's will say 'how are we regarded as a LEP?' and again it would be useful to have something that says 'well using this model this is where we put you in this'. I think they find it hard to bench mark themselves at the moment (Interviewee 11).

Similarly, a model that could support the identification and provision of objective feedback for central policy makers was valued by regional BEIS staff:

When new ministers arrive and they will say 'tell me which the good LEPs are' and we don't know. 'What do you mean by good'? We really struggle with that, answering that blunt question really. We haven't had a consistent way and using such a model would help. We have had various approaches of assessing strategic economic plans, assessing bids for growth deal plans but that's not the same as saying 'where are they on the line' (Interviewee 11).

Following this positive feedback, chapter 6 will present a discussion of the findings and a refinement of the conceptual model of place-based partnership.

5.11 Chapter summary

This thesis aims to provide a greater understanding of the factors that underpin the effectiveness of place-based partnerships. Chapter 4 concluded with a conceptual model based on six key components drawn from the literature. The empirical research has applied that model to the LEPs as one form of place-based partnership and chapter 5 has reported on the findings of the three stages of data collection and reflection and refinement of the model.

A review of 38 strategic plans offered partial validation of the six factors within the conceptual model and raised a number of emergent themes. Whilst the review provided valuable context for later stages of fieldwork, it was largely descriptive and limited in detail. The semi-structured interviews with 10 LEPs provided full validation that the six factors proposed in the conceptual model were of importance to the effectiveness of LEPs. The emergent themes identified in the desk-based review were evident again and the analysis addressed the earlier lack of detail by providing a number of criteria for each of the six factors.

Using the data from these two stages, four case studies were selected that provided an opportunity to discuss the conceptual model with a wider range of stakeholders and observe the factors at play during board meetings and other events. The analysis of case study data further validated the themes and nuances of the conceptual model and reinforced the influence of the emerging themes, answering the overarching research aim to explore whether there were common factors that enabled (and inhibited) the effectiveness of Local Enterprise Partnerships.

The framework of ideas generated through the empirical research was summarised in a short report that was circulated to key stakeholders for discussion and comment. This offered an authentication of the findings and an indication that the conceptual model was both 'feasible' and 'desirable' to research participants at both a policy and practitioner level – which are both key elements of the application of a Soft Systems Methodology.

Chapter 6 progresses the findings further to provide a more detailed interpretation and final refinement of the conceptual model, presenting the Compass of Collaboration - a model to assist the development of place-based partnerships.

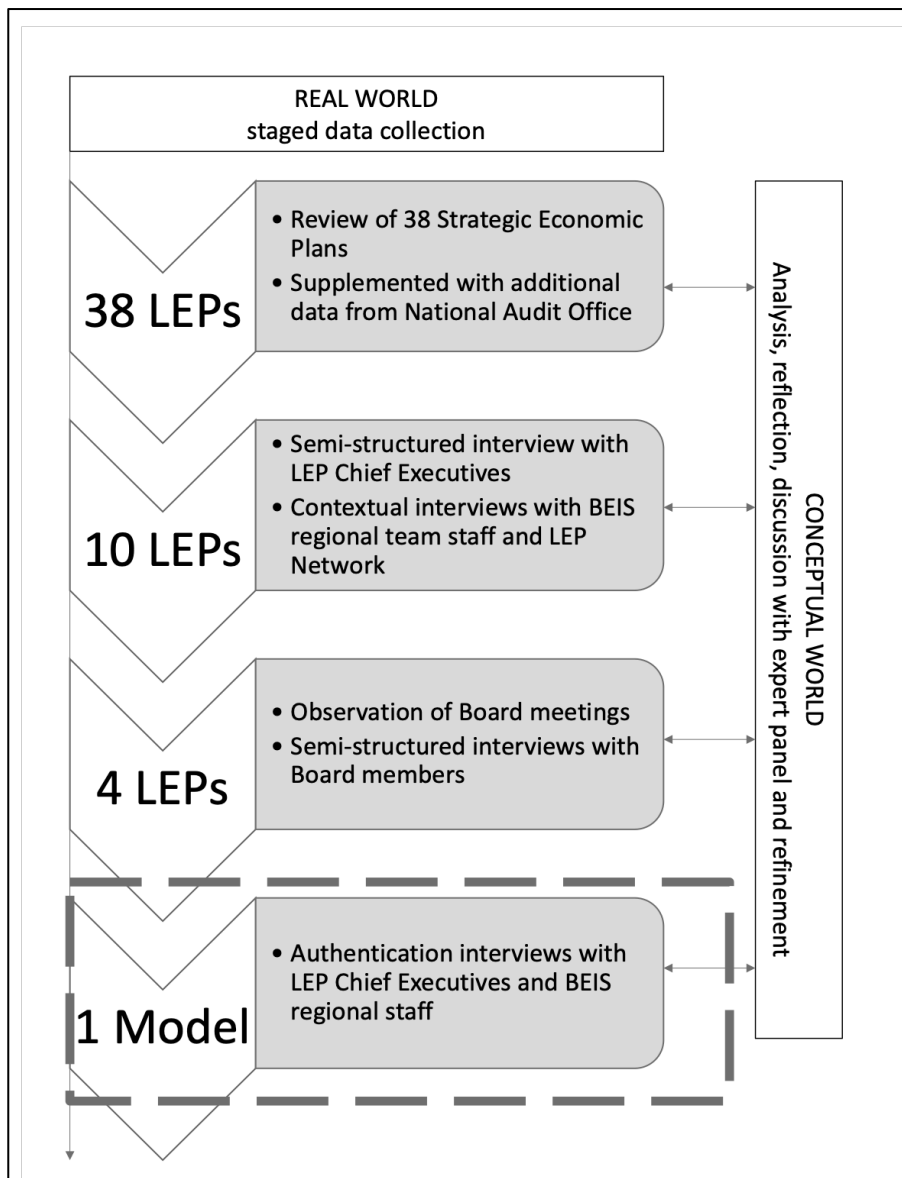
6 Phase four: reflection and refinement

6.1 Introduction

The application of a Soft Systems Methodology encourages the checking and comparison of the draft conceptual model with real world participants to ensure any solutions are considered both feasible and desirable (Checkland and Poulter, 2006). Chapter 5 set out the findings of this process of comparison and refinement and, having verified with local stakeholders improvements to the model and benefits of its application, the final stage of SSM involves refinement of the model ahead of agreeing actions for implementation. This chapter will summarise the learning across the three stages of data collection presented in chapter 5 and draw on the empirical and theoretical findings to conclude whether it is feasible and or desirable to develop this knowledge into a model of place-based partnership. The section marks the final stage of the soft systems journey depicted in Figure 6.1.

Consistent with chapter 5, it takes each of the six factors in turn and presents a discussion of the key learning in order to summarise the enablers and inhibitors of place-based partnerships. It then turns in Section 6.8 to discuss the influence of the emerging themes namely the micro and macro forces that have been shown to impact LEPs both positively and negatively. It concludes with a presentation of the finalised conceptual model of place-based partnership termed the Compass of Collaboration.

Figure 6.1 Model development and authentication



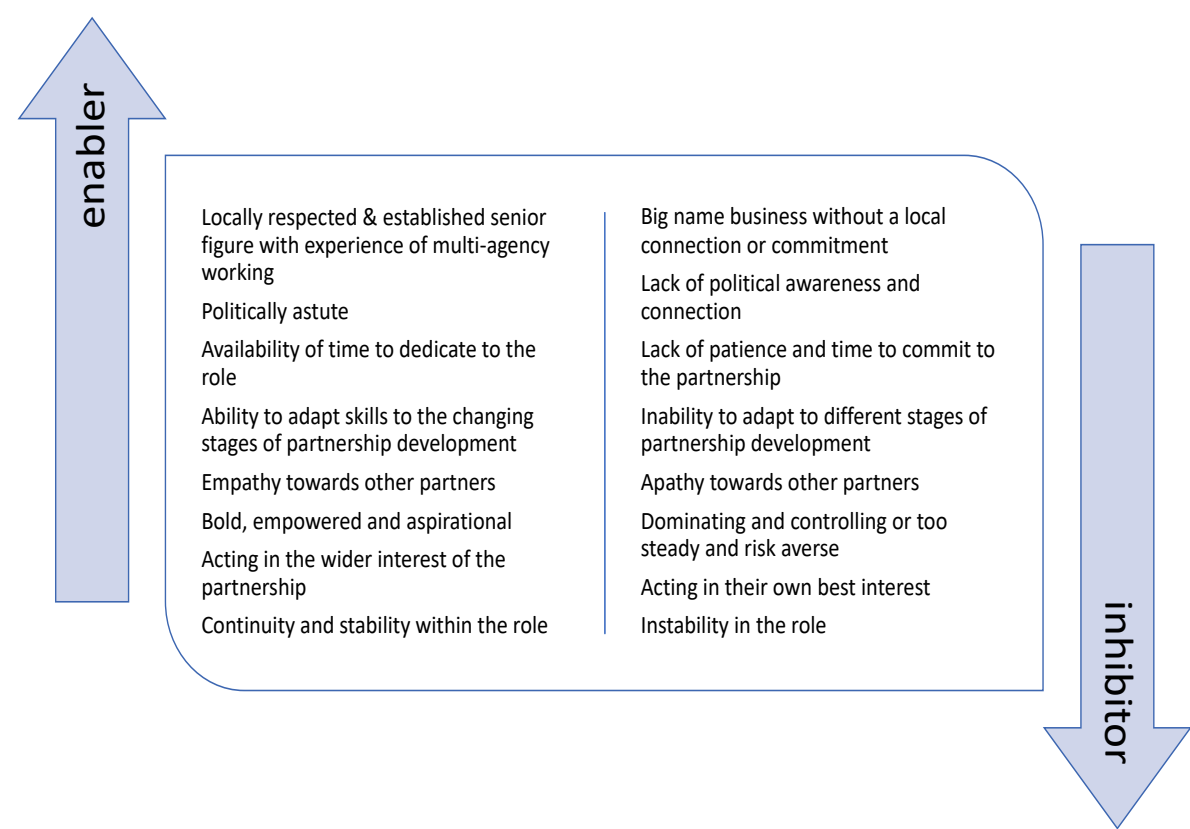
Source: Author's Own

6.2 Leadership

Research into partnerships suggests that leadership tends to be a collaborative endeavour shared by numerous actors within the multi-institutional environments (Huxham and Vangen, 2000; Vangen and Huxham, 2003; Bentley *et al.* 2017). Interviews across the LEPs engaged in the empirical research tended to focus on the chair of the partnership and the set of traits and skills that were valued or absent in their leader. This is more consistent with traditional theories of individual leadership and trait theory that suggest leaders possess attributes that propel them towards these

roles (Zaccaro, 2007; Derue *et al.*, 2011). Analysis of the data highlighted nuances within the required traits and skills set that was considered to have an enabling or inhibiting effect on the partnership summarised in Figure 6.2.

Figure 6.2 Enablers and inhibitors of leadership



Source: Author’s Own

These nuances around the skill set of the partnership ‘leader’ add weight to the research evidence compiled by Huxham and Vangen in their Theory of Collaboration (Huxham, 1996; Huxham and Vangen, 2000) that seeks to understand the issues that cause reward and anxiety in collaboration. By pin pointing the issues that are valued in partnership leaders, the LEPs can apply this learning to achieve the desired synergistic benefits of collaboration.

The findings of this research add another dimension to the Theory of Collaborative Advantage by combining the issues that engender advantage with an appreciation of the cyclical nature of partnership lifecycle. The findings of this research argue that as the partnership evolves so the traits and skill set required of the leader change. If the leader fails to adapt to the lifecycle requirements, partnerships can move from a position of collaborative advantage to a position of

inertia. As such this research offers a challenge to previous research that argues for continuity of leader as a valued characteristic of partnership which is evident in this research and that of others (Carley *et al.* 2000; McQuaid, 2009). Continuity of leader still provides a benefit but only when the leader is able to be adaptive and flexible to the changing needs and demands of their partnership. The Tuckman model of group development provides a framework to develop this concept further summarised in Table 6.1.

Table 6.1 The Tuckman model of group development

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Source: adapted from Pugalis and Bentley, 2013c; Tuckman, 1965; Tuckman and Jensen, 1977

The focus was largely on the chair as leader but some interviewees did recognise the benefits accrued from the chair delegating responsibility to other board directors which locked in contribution and commitment from other partners. Sharing the load was said to enable the vision to permeate to other tiers of the partnership and made the responsibility for leading the LEP a collective effort. Bentley *et al.*'s (2017) review of place-based sub-national territories also identified leadership as a collective endeavour whilst questioning the capacity for leadership in LEPs.

The findings of this research concur that leadership of these multi-institutional organisations is complex. Whilst the skill set and stature of the chair is crucial, LEPs that engender a greater sense of distributed or collaborative leadership appear able to secure the benefits of commitment and contribution for the wider partners.

Another finding concerned the notion of LEPs being business led and the extent to which LEP had met government requirements to be led by the private sector. Findings here support Bentley *et al.* (2017) and it was clear that although the LEP had secured varying levels of business engagement those reviewed in detail were not being led by business. Leadership was distributed across partners with the local authority directors retaining considerable influence. This research queries whether private sector leadership of the LEP is attainable given the number of barriers, including:

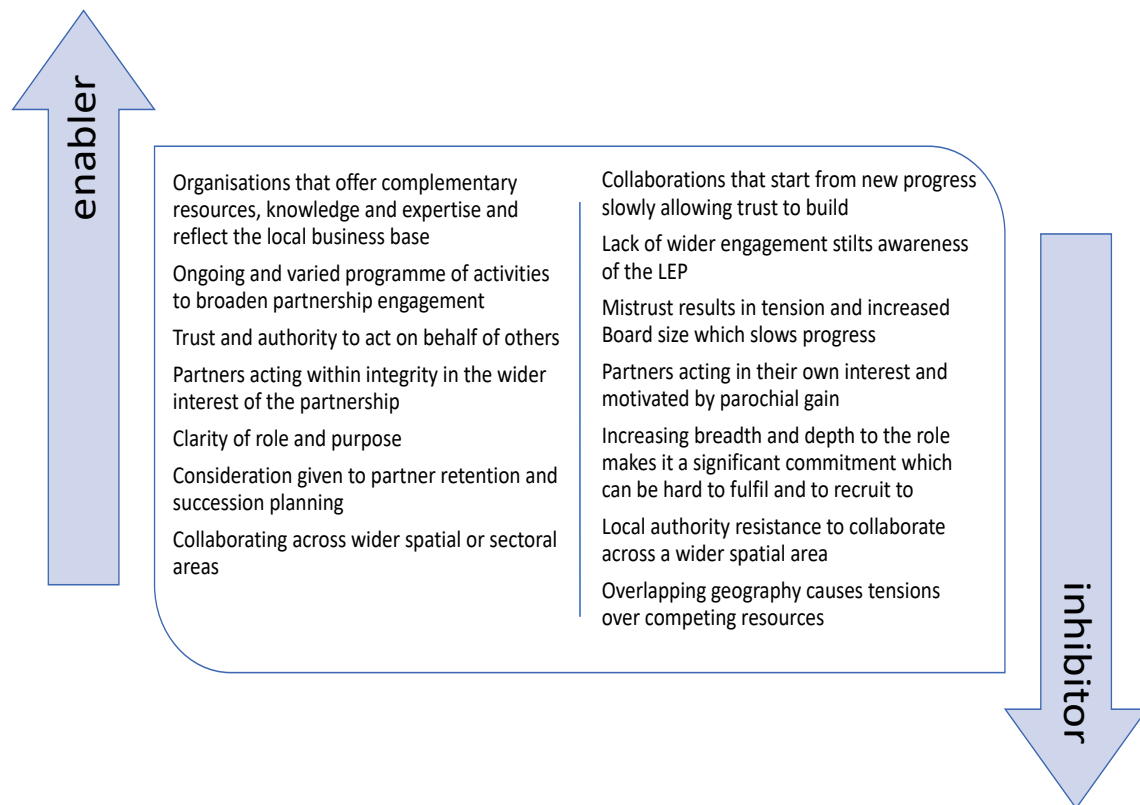
- Will: the extent to which local businesses are engaged and motivated to steer the LEP
- Ability: the extent to which the private sector has the skills, expertise, time, mandate to lead the LEP
- Permissibility: the extent to which the private sector has the permission to lead a non-

accountable body directing considerable public funds

6.3 Partner engagement

Previous research into effective partnerships highlights the importance of engaging and nurturing a range of partners whilst achieving a balance between being inclusive and guarding against unwieldy partnership numbers (Plummer and Zipfel, 1998; Carley, 2000; Carley *et al.* 2000). As such the degree to which partners are engaged and motivated is a valuable indicator of partnership health. The research findings presented in chapter 5 highlighted a range of enabling and inhibiting factors summarised in Figure 6.3.

Figure 6.3 Enablers and inhibitors of partner engagement



Source: Author's Own

Unsurprisingly trust was a key issue that impacted on partner engagement and LEPs that were able to build on existing collaborations appeared to benefit from established levels of trust. As such consistent with the research into comparable partnerships there is a virtuous circle at play whereby pre-existing levels of trust offered partners encouragement and motivation to form the LEP (Geddes *et al.*, 2007).

The extensive literature on inter-organisational trust provides a wealth of explanation as to why these virtuous circles form in areas where LEPs are founded on existing collaborations. To initiate collaboration some trust is required as the key enabling condition of the formation of the network (Webb, 1991; Smith Ring and Ebers, 1997). From there trust will develop gradually as the partners form the collaboration and move from one stage of development to another (Lewicki and Benedict Bunker, 1996). Over time partners develop an expectation and understanding of how others will act and behave within the collaboration which cements the level of trust (Calton and Lad, 1995).

These expectations allow for tension and disagreement between partners. Within the research findings there was evidence of disagreement and tension between LEP members but these conflicts were not always inhibitors of partnership collaboration but at times a positive indication of active engagement by the right mix of partners who had an embedded level of trust in their co-collaborators. Conversely, those areas that had to form the LEP a new had to develop a level of trust which placed them at a disadvantage.

Interestingly even in areas with historic collaboration, there was evidence of mistrust remaining and this, at times, caused negative tensions for the LEPs. Symptoms included resistance by partners to participate or resource the LEP, increasing board numbers to appease local authority gripes, time required of the executive team to mediate, partners acting in their own best interest and not that of the wider territory. As such LEPs with high levels of mistrust between partners were likely to suffer collaborative inertia (Vangen and Huxham, 2008). Geddes *et al.* (2007: p.110) refers to this situation as a vicious circle which in the case of the LEPs has the potential to thwart governmental aspirations as a 'destructive cycle ensues, representing a challenge ... to the partnership mode of governance *per se* rendering it 'unsustainable' as an institutional fix for the contemporary challenges of 'governance'.

Analysis of the data on partner engagement suggests that LEP chief executives supported by their team of staff invest time in attracting a range of partners to achieve the right mix of LEP directors. This is consistent with Vangen and Huxham's (2003) analysis of data taken from a range of action research studies involving partnership managers that found the task demanded considerable time of the part of the partnership managers to attract and then support members. In the LEP context the management of private sector partners was particularly time consuming and interviews with both chief executives and chairs demonstrated the considerable time invested in identifying, courting, and inducting private sector partners. In two of the case studies, there was concern voiced that the 'big hitters' from business were absent or had walked away and this was an inhibitor of

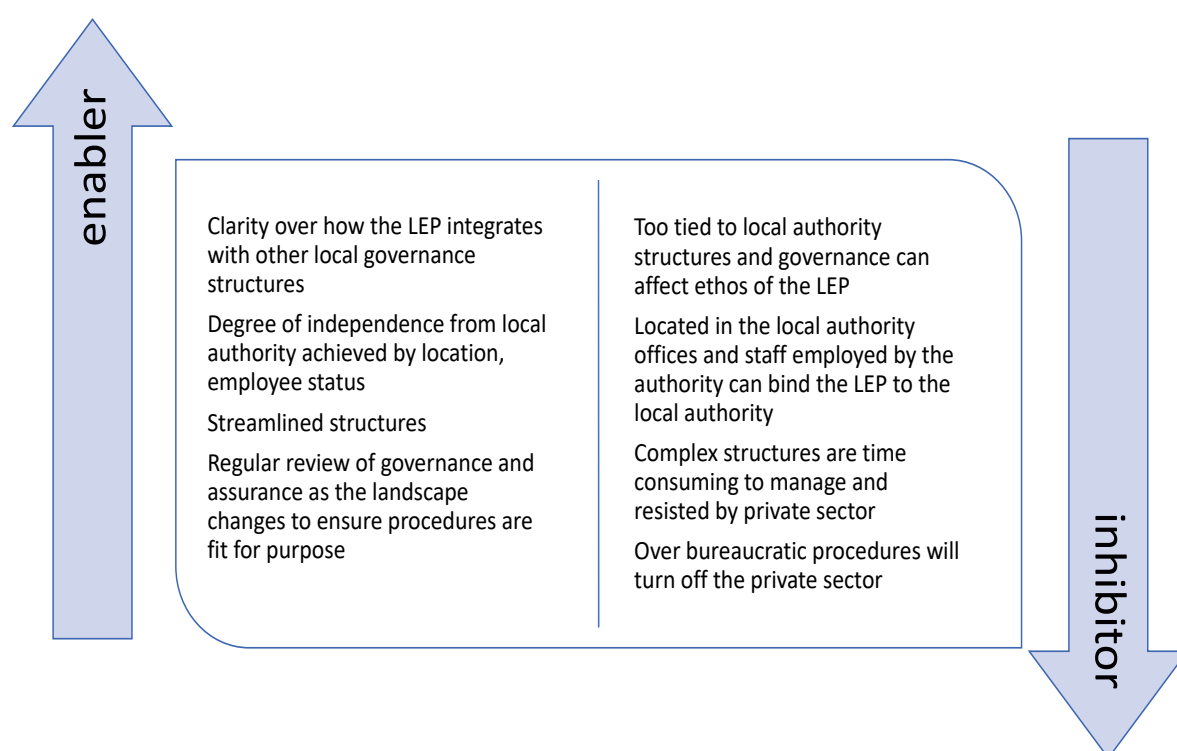
progress. The process of engaging business both on the board and beyond was recognised as an ongoing and at times arduous task for LEPs.

Conversely, local authority partners were regarded as at an advantage given that they were already well networked and familiar with partnership working and the findings provide clear evidence of the strength of the public over the private sector. Given that the LEPs were intended to be business led, this imbalance goes against the intention of central government but can in part be explained by Regime Theory (Stone, 1993) which provides a lens to understand and explain the complexity of collaborative governance and the imbalance of power that exists within the LEPs. Following a longitudinal study of the governance of the city of Atlanta, Stone's regime analysis conceptualises power as fragmented and regimes as the collaborative arrangements through which local governments and private actors assemble the capacity to govern (Stone, 1989, 1993, 1998; Mossberger and Stoker, 2001). Stone described the political power sought by regimes as the 'power to' or the capacity to act, rather than 'power over' others or social control (1989: p. 229). Within the LEP, the public sector actors with their experience and access to resources have a greater power to form, maintain, and change the regime than the private sector.

6.4 Structure and governance

Clarity and transparency of structure and governance arrangements is highlighted in the literature as a key factor to partnership success (Nelson and Zadek, 2000; Isenberg, 2011, Plummer and Zipfel 1998, Pugalis and Bentley, 2013c; Pike *et al.*, 2015). Findings presented in chapter 5 support this view and highlight a number of enablers summarised in Figure 6.4.

Figure 6.4 Enablers and inhibitors of structure and governance



Source: Author's Own

The findings partly support the work of Geddes *et al.* (2007) who argued a 'virtuous' circle occurred when partnerships adopted clear structures that were embedded in the local governance landscape. However, the findings also point to a clear tension in the LEP model given the voluntary nature of the partnerships which has bred an over reliance on local authorities for resources but also to align to their governance and accountability frameworks. As a result, interviewees throughout the study expressed concern that partnerships had become too embedded in local authority structures and cultures. Some argued that being reliant on the local authority had affected the ethos of the LEP and placed them in danger of mimetic isomorphism whereby the LEP imitates the local authority and its way of working in the belief that this will afford them benefits (DiMaggio and Powell, 1983; Skelcher and Sullivan, 2008). Institutional theory argues that this behaviour is likely to occur when goals and/ or the means of achieving them is unclear which was the case for LEPs who were set up with very few parameters or instruction. By mimicking another organisation, in this case a local authority, they have sought to achieve greater legitimacy in order to proceed (Meyer and Rowan, 1977; Lowndes and Skelcher, 1998). On a related point central government has played a leading role in directing the LEPs towards tighter and more regulated forms of governance and to address criticisms of a lack of transparency the LEPs have been subject

to increased requirements around assurance and governance frameworks (NAO, 2016a; DCLG, 2017; MHCLG, 2018).

Interviewees regarded the increased requirements around governance as a necessary addition but one that brought a range of challenges. Firstly, the concern that the increased level of bureaucracy would be a turn-off for business. Secondly, that it would hamper the LEPs ability to be flexible and fleet of foot and thirdly that the process of developing and updating the assurance frameworks placed additional strain on their limited resources. However, the changes were a central requirement and so, in contrast to the mimetic isomorphism resulting from uncertainty, the LEPs are also subject to the coercive force of central government on whom they are reliant for funding and guidance.

Sotarauta and Beer's (2017) exploration of leadership of cities and regions calls for collaborative governance whereby the horizontal relationships between actors within the partnership hold greater significance than the vertical relationships between the sub-national partnership and the national governance framework. Not all LEPs have been able to achieve collaborative governance because of the mimetic and coercive forces at play at both the micro and macro level which pull the LEPs horizontally and vertically.

Since their inception, the policy agenda has moved considerably and those LEPs within areas that have negotiated a devolution deal have been able to secure greater freedoms from the vertical power of central government, enabling the horizontal forms of collaborative governance to establish in the form of representative localism (Hildreth, 2011). The collaborative leadership provided through the Combined Authorities was evident in the findings and there was evidence to suggest that in these areas, LEPs are in transition through an adjourning stage of partnership development as they negotiate their role and function against the shifting landscape of devolution.

Bentley *et al.* (2017) offer some insight in their consideration of the scope for leadership in place-based sub-national territories. They explored the collective and relative power of local actors to achieve collaborative leadership and proposed a conceptual schema that theorised sub-national leadership to be strongest under a system that devolved power and resource to sub-national governance structures summarised in Table 6.2.

Table 6.2 Strength of local leadership by system of governance

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Source: Bentley *et al.* 2017, p. 199

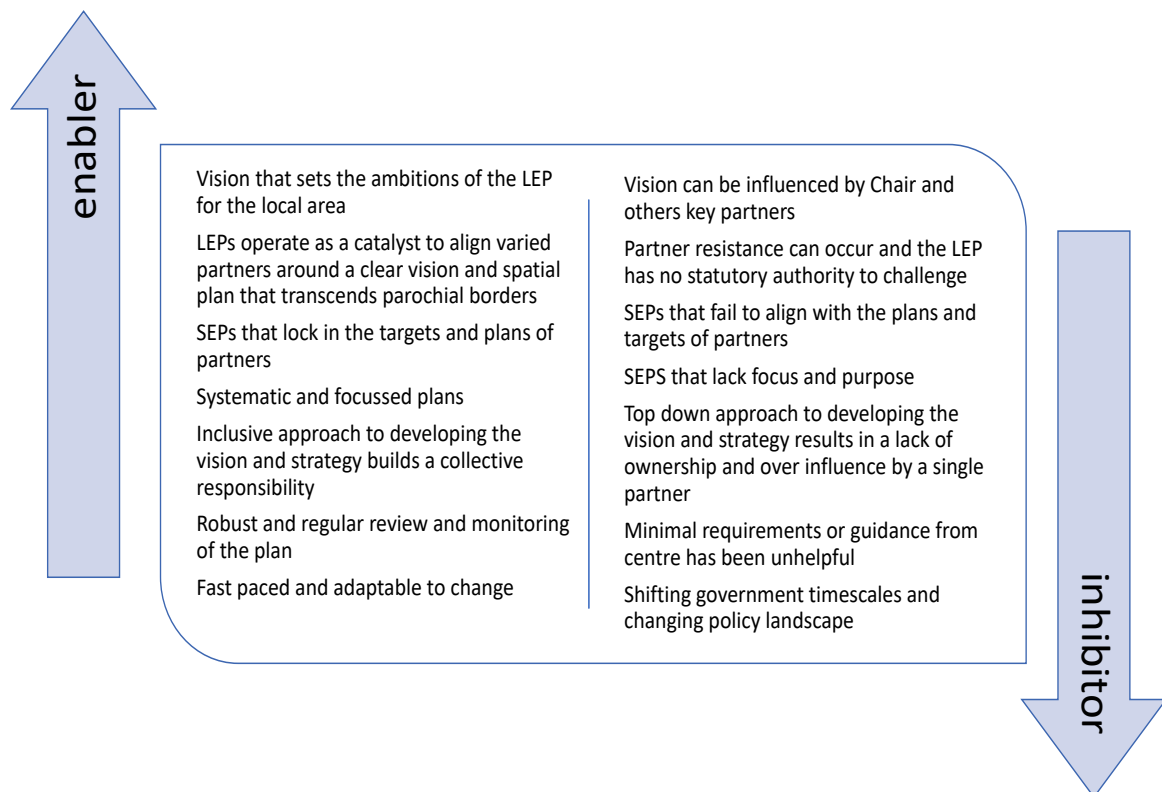
Bentley *et al.* (2017) call for further empirical enquiry and the findings of this research provide evidence to support their schema on the governance of sub-national territories. The tensions identified in the LEP governance model have left partnerships vulnerable to coercive and mimetic forces placing them in a weak position consistent with Hildreth's (2011) conditional localism.

The new evidence on the factors that enable place-based partnerships provided by this research offers valuable guidance for LEPs. The development of these factors into the Compass of Collaboration (a conceptual model presented at the end of this chapter) provides LEPs with a tool to self-assess and peer review. In light of the ministerial review (MHCLG, 2018) LEPs will be under increasing pressure to demonstrate value for money and so tools that support them to operate effectively and efficiently will be useful.

6.5 Vision and strategy

A clear vision and strategic direction has been highlighted as a key ingredient of partnership working (Plummer and Zipfel, 1998; Nelson and Zadek, 2000; Carley *et al.* 2000; McQuaid, 2009; Huggins *et al.* 2014). Central government, in setting up the LEPs, was clear that their core role was to ‘provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area’ (BIS, 2010; p.13). Several LEPs regarded themselves as a catalyst which pulled a range of partners with a variety of plans and targets into a single framework with a clear vision for the wider area. In achieving this task, Vangen and Huxham (2003, p. 63) note an ‘inherent difficulty in specifying collaborative goals’ and the research findings pinpointed a number of inhibitors, alongside a range of enabling criteria summarised in Figure 6.5.

Figure 6.5 Enablers and inhibitors of vision and strategy



Source: Author's Own

Across the thematic cross-case analysis, there was considerable similarity in the responses of LEPs that conformed to the proposition that the right combination of enabling partnership factors provided a more effective sub-national economic development institution that in turn should facilitate sustained economic growth (LEP 4 and 8) and those that deviated from it (LEP 1 and 10).

LEPs also consistently pinpointed to the influence of micro and macro forces in affecting their performance.

The influence of the local authority was regarded by some as an inhibitor of the LEP's ambitions and the mimetic force of these institutions was said to negatively influence the LEP's appetite for risk and ambition. Conversely, given that the local authorities held many of the local policy levers and provided staff to produce the strategic plans, they were also be regarded as an enabler. Relatedly, the coercive force of central government was evident. For example, central government's instruction to LEPs to submit local growth plans to secure funding was subject to a tight deadline and placed additional demands on a capacity-strapped LEP executive team. As such it was unsurprising that the consistency and credibility of LEP strategies varied (Pugalis and Bentley, 2013a; Pugalis *et al.* 2015).

Healey's (2009) work on strategic spatial planning draws a distinction between transformative and responsive strategy making summarised in Table 6.3.

Table 6.3 Transformative versus responsive strategy making

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Source: adapted from Healey 2009, p.453.

The findings of the research show that the majority of SEPs sat firmly in the responsive strategy column. Recognising that achieving transformative strategies is not easy, Healey argued that strategy-makers must possess four key skills:

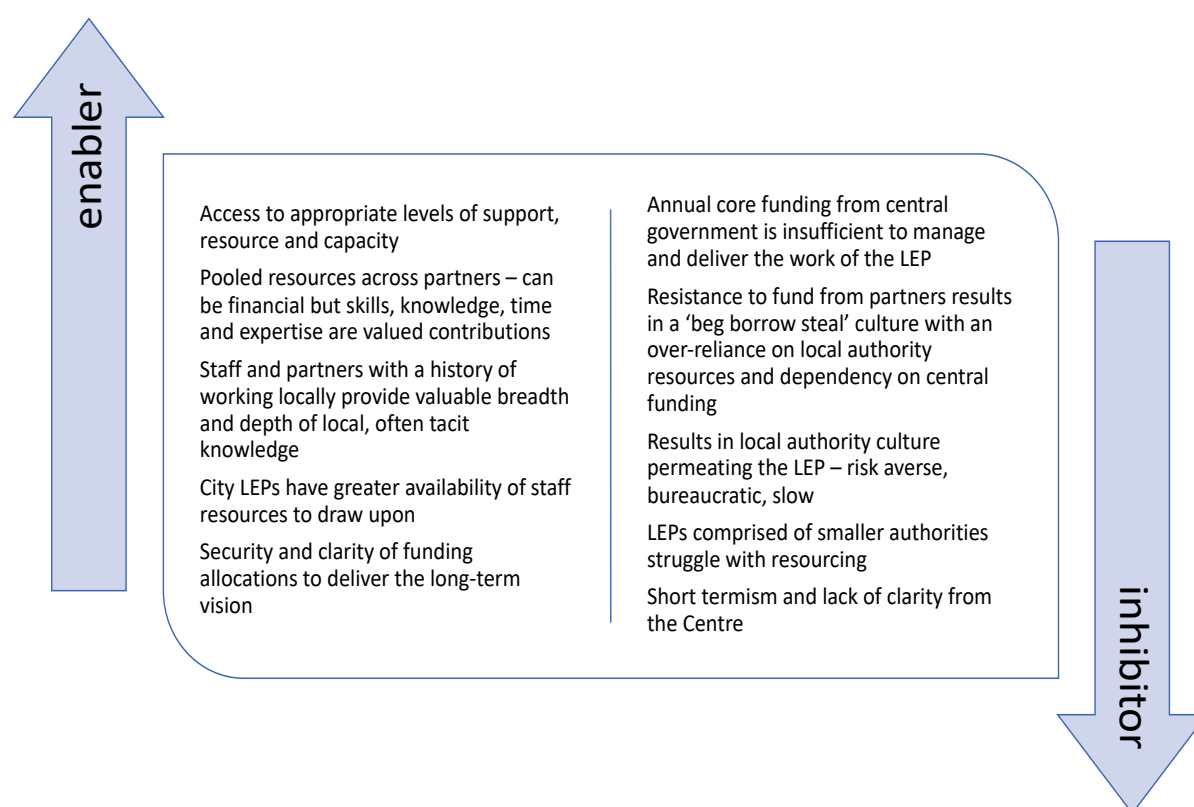
- A capacity to know a place in all its complexities including the social, environmental, political and physical
- An imaginative capacity to see opportunities now that provide momentum for future development
- An intellectual and political courage to engage in synthetic thinking
- A judgement situated in and sensitive to the contingencies of particular times and places rather than drawing on generalised theories of urban change.

These skills provide support for the localism agenda in that they require strategy makers to be locally embedded. Returning to Bentley *et al.*'s (2017) conceptual schema of sub-national leadership, transformative strategy making also requires the freedoms and flexibilities afforded by devolution through the Combined Authority agenda and given the retained level of control by the centre over LEPs, it is questionable whether transformative strategy making is feasible via this model of decentralised governance.

6.6 Resources

The range and nature of resources including the support, competencies and capacity of partners is a recognised criterion of effective partnerships (Carley *et al.* 2000; Nelson and Zadek, 2000; Pugalis and Townsend, 2013; Pike *et al.* 2015). The findings highlighted a number of issues that both enabled and inhibited progress summarised in Figure 6.6.

Figure 6.6 Enablers and inhibitors of support and resources



The findings demonstrate that the capital funds available to LEPs allocated primarily via the Local Growth Fund were considered sufficient to achieve the aims set out in the Strategic Economic Plans. However, LEPs criticised a lack of revenue funding which limited the capacity of the LEP and expansion of executive teams had failed to keep pace with the expanding responsibilities of the LEPs. This had led to a ‘beg, borrow, steal’ approach that interviewees felt was holding them back from achieving more. Some even commented that the limited resource available for executive functions meant they were unable to attract and retain the calibre and quality of staff appointments.

Mackintosh’s (1992) budget enlargement model of partnership working argues that by working collaboratively partners can gain access to additional resources. Hastings’ (1996) work on partnership similarly notes added value can be accrued through the co-ordination of partners resources to achieve resource synergy. In the research, there was limited evidence of the pooling of financial resources and, whilst LEPs valued the in-kind contributions from business and higher education, there were few examples of LEPs achieving the synergistic gains highlighted in Huxham’s Collaboration Theory (1996) from the sharing of financial resources.

A clear issue running through the analysis of the resources theme was the reliance of LEPs on local authority resources to undertake a variety of functions including programme and project management, board co-ordination, LEP administration, financial management and reporting. There was evidence to suggest this was both a hindrance and a help but again this reinforced the dominance of the local authority.

Hindrance: local authority staff were considered by some to be less ambitious, and more risk averse akin to the culture of the public sector which was then mimicked by LEP. This provides further evidence of the danger of mimetic isomorphism whereby the LEP adopts the norms and values of the local authority (Meyer and Rowan, 1977; DiMaggio and Powell, 1983; Skelcher and Sullivan, 2008).

Help: Many of the LEP chief executives and wider staff had worked in the same sub-national space for some time in related economic development roles and their experience, networks and expertise was considered a valuable resource. Their skills and abilities were evident and they played a vital supportive role to glue the partnership together not only in terms of their overt contribution but also their tacit knowledge and ability to operate behind the scenes to grease the wheels of collaborative activity (Polanyi, 1966; Howells, 2002; Gertler, 2003).

Vangen and Huxham (2003) refer to this skills set as the Spirit of Collaboration and divide its application into four key processes depicted in Figure 6.7.

Figure 6.7 Vangen and Huxham's spirit of collaboration

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Source: adapted from Vangen and Huxham, 2003, p. 66

Vangen and Huxham (2003) recognised the challenges within the role of the partnership manager

and identified pragmatic responses executed by those within the role to progress the partnership that 'on face value seem less consistent with the spirit of collaboration' (2003, p.70). They refer to this a Collaborative Thuggery (Figure 6.8) stressing that the term is not intended as a derogatory remark rather a way of capturing the pragmatic.

Figure 6.8 Vangen and Huxham's towards collaborative thuggery

Some materials have been removed due to 3rd party copyright. The unabridged version can be viewed in Lancaster Library - Coventry University.

Source: adapted from Vangen and Huxham, 2003, p. 70

There was some evidence in the findings of potential thuggery at play within the LEPs. For example, some business board directors regarded the process of developing the vision and strategy as top-down. Through observations of board meetings in two of the four case studies board directors called for greater engagement and debate over the refresh of the SEP. However, whereas Vangen and Huxham (2003) regard this thuggery as a necessary part of getting the job done, in the case of LEPs the behaviour resulted in a lack of ownership and over influence by a single partner.

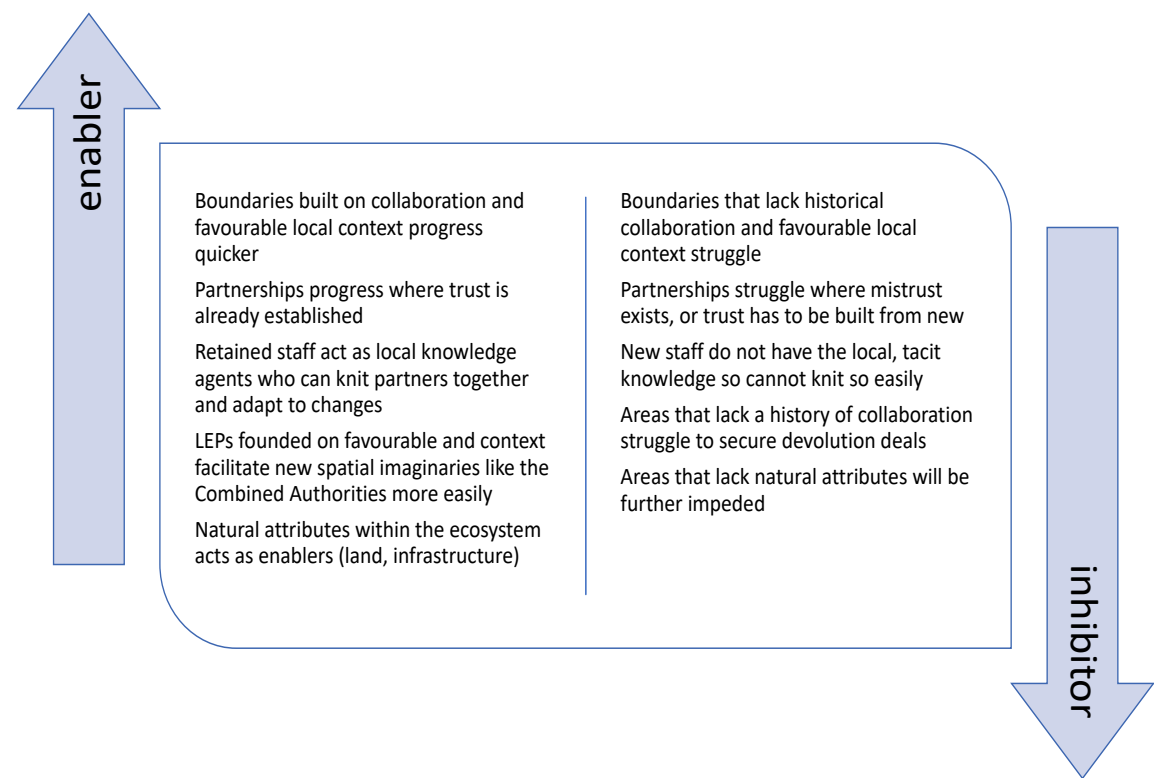
Another issue evident in the analysis of the resources theme was the dependency of LEPs on central government allocations to deliver the SEPs. Despite attempts towards a more localised form of governance, LEPs remained within the paradigm of conditional localism under the steering hand of the centre and (Hildreth, 2011). LEPs were also critical of the lack of guidance and direction offered

by central government and expressed frustration at the short termism of political cycles that exacerbated progress. Returning to Bentley *et al.*'s (2017) conceptual schema this lack of guidance and direction from the centre implies the absence of a clear framework for decisions on strategy and action in relation to local development that would be present under a more targetry regime. As such many LEPs were stuck between 'a rock and a hard place' in that they were neither afforded the freedom and flexibilities provided by a devolution model of governance (e.g. Combined Authority) nor directed by a central framework for decision-making.

6.7 Culture and context

The sixth factor in the conceptual model is the nature of the local context and existence of a culture of collaboration that can both help or hinder partnership progress. The findings in chapter 5 highlighted a number of issues summarised in Figure 6.9.

Figure 6.9 Enablers and inhibitors of culture and context



Source: Author's Own

Existing research into LEPs has identified that areas with a history of positive collaboration within a favourable local ecosystem respond better to changes in policy than those who carry the baggage

of historic political rivalries (Pugalis and Townsend, 2013; Hildreth and Bailey, 2013; James and Guile, 2014). The research findings support this view whereby LEPs who stated they had existing collaborations in place were not only often those LEPs who were approved earlier but also those that had been allocated City Deal funding and so had greater experience of joint working and management of collaborative programmes. They were also areas that were further advanced towards or had already secured Combined Authority status. This adds further weight to Geddes *et al.*'s (2007) concept of the virtuous circle whereby areas that have established relationships of trust between partners have a solid foundation for collaboration. Whilst interviewees were reluctant to highlight any of the six factors as of greater importance, it could be argued that issues relating to history of collaboration impinge on all the other factors. In areas with a favourable historical collaboration partners engage more readily and are more inclined to offer resources. Collaborative leadership comes more easily, and governance frameworks and strategic documents can be produced as a result.

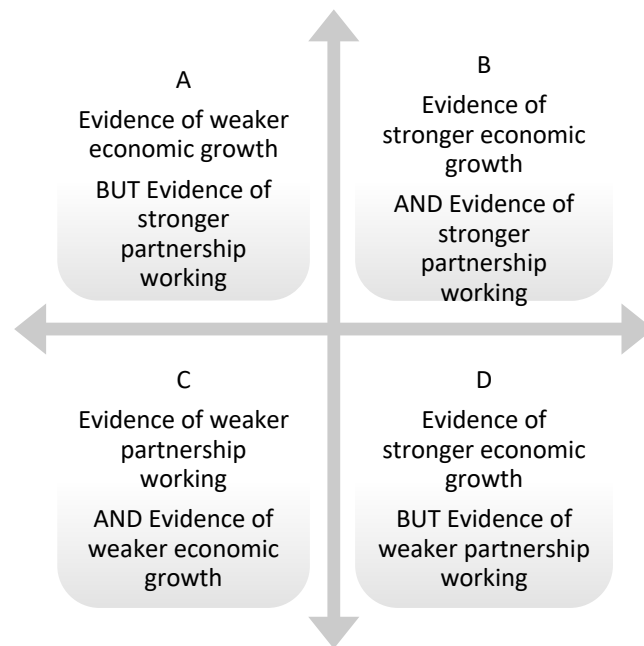
The key issue here is trust and in areas that had a history of collaboration, interviewees spoke of how trust had already been established between partners. Rousseau *et al.* (1998) refer to this historically rooted trust as 'relational' whereby trust is built through experience with each experience enabling a stronger relationship. Having a relationship of established trust enabled actors within the partnership to reduce the risks associated with participation (Vangen and Huxham, 2003). This meant partners were able to cope better with the risk of developing a new vehicle for local growth when trust already existed between them. Two of the case studies in particular (LEPs 1 and 10) spoke of the established local network that was founded on trust that enabled them to weather the changes of central policy. Conversely the LEP who drew together a new functional space (LEP 8) observed difficulties from the outset and had to invest time building trust between partners who did not have a history of collaboration. Where trust is absent partners must be willing to take a risk and this was regarded as an inhibiting factor. The risk was too great for some which resulted in resistance from the local authority to collaborate and even withholding of support for the LEP which stilted progress in the early development stages. Here the LEP's progress was delayed by what Geddes *et al.* (2007) refer to as the vicious circle whereby partners lacked the trust to initiate the cycle.

Huxham and Vangen (2003) identify a tension between the ideology that trust is a requirement of collaboration and the pragmatic difficulties of working in partnership. Although within their extensive research practitioner trust is cited as a vital ideological factor, a mutual lack of trust

between partners is the reality that partnerships have to work through or around in order to progress the collaboration. As such, a lack of trust does not necessarily result in failure. This was evident in the findings in that even in LEPs that cited the existence of historical collaboration ahead of the LEP, the interviews and observations revealed tensions notably between the public and private sector partners. In some cases, the tension was productive and provided a level of challenge indicative of the different viewpoints held by a range of partners. For example, local authority elected members were often observed speaking on behalf of their own constituents instead of the wider territory of the LEP. This behaviour is to be expected and so helps trust to establish by enabling partners to mutually establish specific expectations about future behaviours (Lane and Bachmann, 2000). Similarly, interviewees cited examples of the private sector ethos or expected behaviours translating to LEP activity in terms of efficiencies in reporting. However, behaving as expected was not without difficulty and there was also evidence through the observations and interviews of private sector frustration at the (expected) bureaucracy and parochial outlooks of the public sector which some feared would lead the private sector to walk away from the partnership.

Within the local context two issues were prevalent. Firstly, the retained local experience of LEP staff with their explicit and tacit knowledge which was cited as an enabler. Many had worked in a variety of economic development positions in their localities for some time and this retained experience provided a glue to support partner collaboration both locally and beyond their immediate boundaries. It also enabled them to reconfigure more easily when new spatial constructs were required by government. Secondly, within their natural economic geography, LEPs have not been dealt the same hand and a range of socio-economic factors placed them at an advantage or disadvantage. The demography of local residents, their aspirations and abilities; the type and nature of local land, its viability and restrictions placed upon it; the presence or absence of strong higher education institutions all influenced the productivity potential of the local area. As such in the same way that a positive history of collaboration provides an advantage, issues relating to the local context affect the LEPs ability to perform. Returning to the four case studies, two of the partnerships conformed to the proposition that a strong partnership operating within a favourable ecosystem can achieve growth, represented by boxes B (LEP 4) and C (LEP 8) in Figure 6.10.

Figure 6.10 LEP typologies



Source: Author's Own

Conversely the remaining two case studies deviated from the proposition with LEP 10 (box D) demonstrating relatively weak partnership factors but achieving higher growth outputs and LEP 1 (box A), a relatively strong partnership but achieving lower growth outputs. The deviant case studies (boxes A and D) through the research have casts doubt on the proposition that the right combination of enabling partnership factors provides a more effective sub-national economic development institution which in turn facilitates sustained economic growth. However, LEP 1 throughout the research demonstrated that it complied with the factors within the conceptual model and agreed that these were the enablers of effective place-based institutions. This in turn implied that external inhibiting forces and contextual factors hold considerable influence over the LEPs ability to achieve growth and address pockets of under development. It is beyond the scope of this research to expand this concept although further empirical and conceptual enquiry is to be encouraged.

6.8 Emerging themes

The emergent themes were consistent across each of the six factors presented in this chapter and reveal micro and macro forces at play that can pull the LEP off course. The findings demonstrate that LEP progress is to a considerable extent influenced by the coercive force of central government who, despite a rhetoric of localism, have remained hierarchical in their mode of governance. As

such the retained power of central government has a coercive influence on all six factors within the model. Bentley *et al.*'s (2017) exploration of the governance of sub-national territories recognises a similar constraining force of central government in the form of four key mechanisms:

- Legislation and formal agreements
- Funding
- Fiscal autonomy
- Government Guidance

The research findings identify examples of all four mechanisms constraining the LEPs:

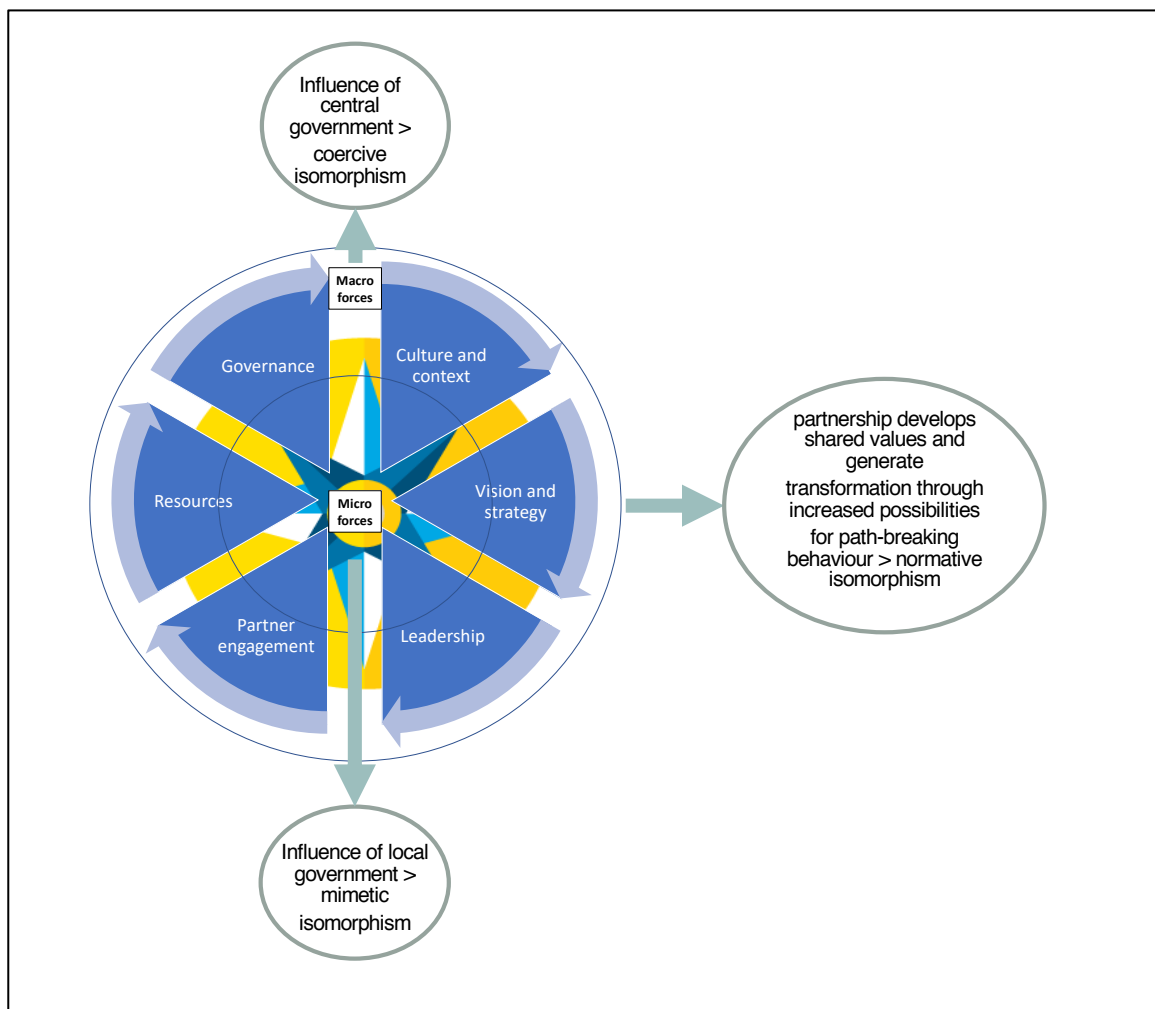
- Legislation and formal agreements – LEPs are voluntary partnerships and their non-accountable status causes problems
- Funding - LEPs are largely dependent on central government allocations via the Local Growth Fund which encourages central government priorities over local strategic economic plans
- Fiscal autonomy – LEPs are grant funded by central government and have struggled to generate local contributions from partners and so are not financially autonomous
- Government guidance – limited guidance from the outset was in itself a hindrance but has increased on issues of assurance and governance. LEPs are under increasing pressure to conform to standards set by central government

The findings also revealed a strong influence of the local authorities within the LEPs and whilst the findings imply some benefits to this, it also hindered the LEP across all six of the factors within the conceptual model. The coercive force of central government coupled with the mimetic force of local government meant that the LEP model of governance remains one of conditional localism and placed the LEPs in a weaker position of dependency on central and locally established governance institutions to function. Huxham (1996) drew on institutional theory to understand the factors that support and constrain collaboration, in what he termed collaborative advantage. Later work has linked collaborative performance to the power of external forces and their role in shaping policy discourse, control over rule and institutional norms (Skelcher, Mathur and Smith, 2005). Skelcher and Sullivan (2008) observed that where shared values had evolved across the collaboration (following DiMaggio and Powell's normative isomorphism) partners were able to break away from the external forces and achieve transformative performance. The research findings of this thesis suggest that the coercive and mimetic forces of central and local government in the English context

are so strong that even when partners have shared values and a history of collaboration, path-breaking behaviour is difficult to achieve.

Normative isomorphism is pertinent to this study because it stresses the power of the network in generating a sense of shared vision and values across different professional groups and sectors. Skelcher and Sullivan (2008) suggest that where partners share values and vision, transformative performance is more likely to occur and call for further exploration of the factors that underpin shared values to understand transformative performance in collaboration. The findings presented in this thesis respond to this call. The series of enablers presented in the model offer pointers for partnerships to follow to develop shared values and break away from the paths set by central and local government to generate transformation (summarised in Figure 6.1).

Figure 6.11 Micro and macro forces influencing place-based partnerships



Source: Author's Own

The findings demonstrate that LEPs were in the adjourning stage as the sub-national landscape shifts with the creation of Combined Authorities. LEPs viewed the evolution of Combined Authorities with favour and caution in equal measure. Whilst critical of the instability brought about by institutional churn, there was acceptance that the shifting landscape was an inevitable stage of the partnership lifecycle which encouraged the LEPs to review and evolve. The devolution of power to a Combined Authority affords local areas greater freedoms and flexibility from a centralist approach and might encourage path-breaking behaviour. The LEPs are in a transitioning stage and need to reconfigure to work with the Combined Authorities and demonstrate where they are able to bring added value. Evidence provided by the LEP Network (2017) argues that LEPs are fundamental to the government's delivery of the Industrial Strategy which is decentralised through the production and delivery of Local Industrial Strategies (LIS). However, the responsibility for the LIS sits with the Mayoral Combined Authorities (MCAs) in areas that have one and they have been tasked with producing a single strategy led by their respective mayor, with support from their LEP(s).

Further, the government review (MHCLG, 2018) of the roles and responsibilities of LEPs encourages reforms to LEP leadership, governance, accountability, performance management and geographical boundaries. This raises two queries. Firstly, in Combined Authority areas, LEPs will need to sharpen their ability to demonstrate effectiveness and added value and the Compass of Collaboration as a model of place-based partnership provides a tool for assessment and improvement. Secondly, the evolution of Combined Authorities reinforces the notion of functional economic space favouring urbanised areas and city regions. There is an established body of literature from the 1990s onwards, not just from the UK but from Europe and the USA, that evidences how spatial planning favours city regions (Wheeler, 2002; Albrechts, 2004; Salet and Thornley, 2007; Healey, 2009; Allmendinger, Haughton and Shepherd, 2016). The findings of the review add further weight and suggests it is easier for city region LEPs to focus on place as a more established form of sub regional planning and unlock greater freedoms, flexibilities and funding as a result. With the moves towards devolution to Mayoral Combined Authorities it is unclear how LEPs outside of the cities will evolve. If non-Mayoral Combined Authorities are unacceptable will LEPs without them be disadvantaged? The ministerial review (MCHLG, 2018) offered little clarification or instruction for non-MCA LEPs and so these remain areas for further investigation as the relationship between LEPs and Combined Authorities evolves.

6.9 From conceptual to real world model

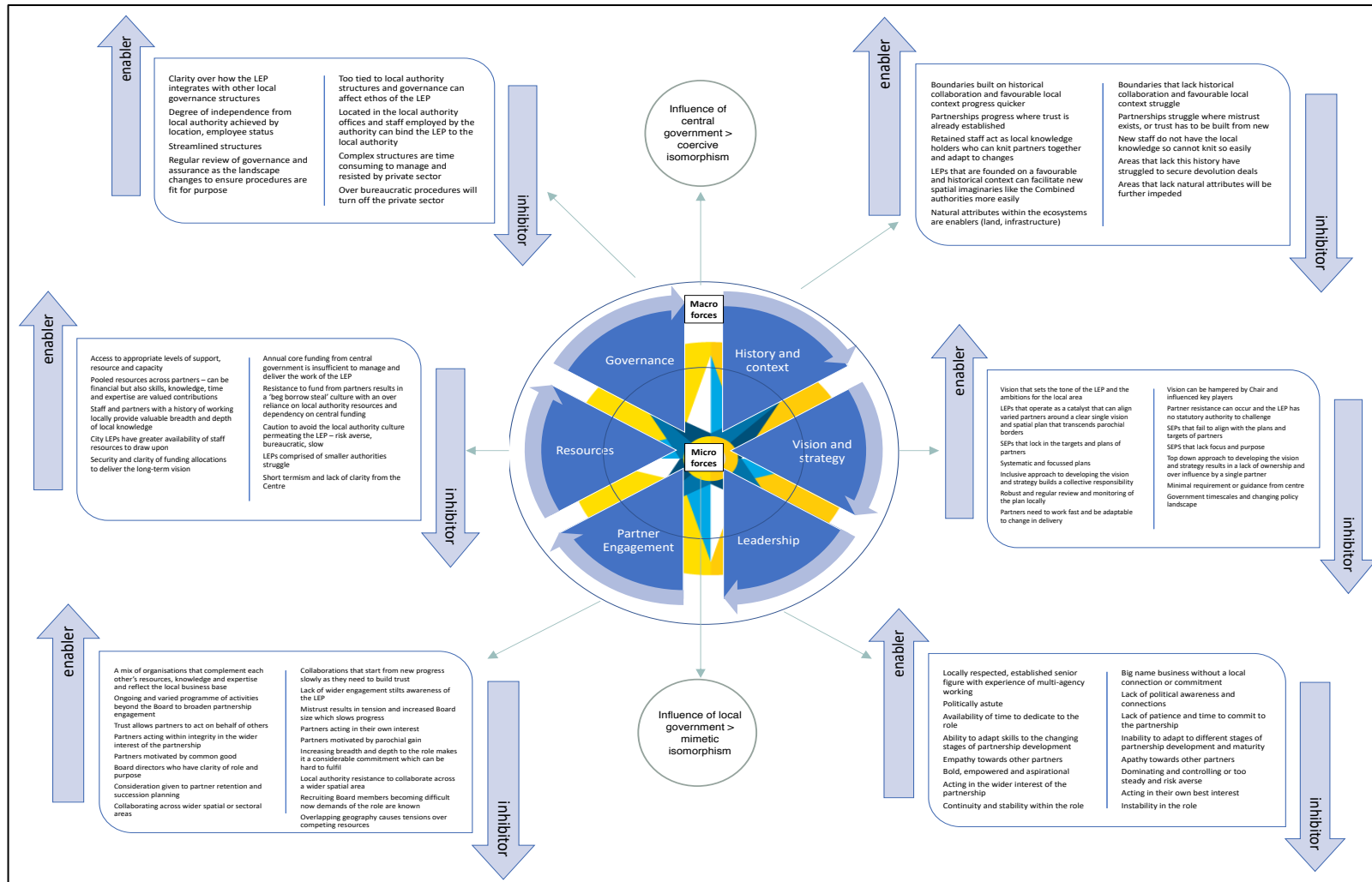
By applying a soft system methodology to explore whether there were common factors that enabled (and inhibited) Local Enterprise Partnerships the final objective of this research was to consider whether it was feasible and desirable to develop a model to assist the development of place-based partnerships.

The empirical research findings discussed in this chapter provide detailed insight into the factors that drive and inhibit progress in LEPs and a discussion of the findings with key stakeholders provided validation of the desirability of progressing the findings to refine a model for use by LEP practitioners and policy makers alike.

This section draws on the empirical and theoretical findings to present the finalised version of the conceptual model of place-based partnership termed the Compass of Collaboration, summarised in visual form in Figure 6.13⁵. The purpose of the compass is to provide a tool to guide action to improve partnership working and marks the end point of the researcher's SSM journey.

⁵ A larger, legible A3 version is provided in Appendix H.

Figure 6.12: The Compass of Collaboration – a model of place-based partnership working



Source: Author's Own

The decision to name the model the Compass of Collaboration has a logic given the purpose of the model is to guide LEPs in their journey to transforming local economies.

The findings gathered across the layered stages of data collection validated the six factors within the draft conceptual model and through the analysis of different worldviews provided detailed insight into the criteria that both inhibit and enable partnership effectiveness. At the centre of the visual a compass is shown which contains the six factors of effective place-based partnerships. These are expanded upon in six boxes to summarise the detailed criteria under each factor that can enable and inhibit progress.

Whilst the factors within the model offer valuable direction, place-based partnerships need to be alert to the micro and macro forces that threaten to pull them off course and these forces are depicted in the visual. If LEPs are to succeed they need to respond to these influences and the criteria shown in the six boxes offer pointers to actions that LEPs can follow in order to stay on course and manage the micro and macro forces in their pursuit of economic growth.

The Compass of Collaboration could be applied by a single LEP as a tool for self-assessment or by a number of LEPs peer reviewing each other's processes and practices. The ministerial review of LEPs (MHCLG, 2018) was clear on the need for greater scrutiny of LEPs and for an escalating approach to underperformance but offered little in the way of guidance. The Compass of Collaboration provides one means for Local Enterprise Partnerships to review and 'share best practice, undertake peer-review and work together as a sector to embed a culture of good governance and self-regulation' (MHCLG, 2018: p.6).

6.10 Chapter summary

This chapter has provided a discussion of the learning presented in chapter 5 to present a detailed explanation of the factors that enable and inhibit LEPs. This not only confirms that the six factors identified from the literature review in chapter 2 apply to LEPs, but also summarises the wider micro and macro isomorphic forces applied by local and central government. To reach the end of the SSM journey, the findings have met the feasible and desirable test and so have been summarised into a finalised model of place-based partnership termed the Compass of Collaboration.

The Compass of Collaboration offers a series of pointers across each of the six factors and each of these is relevant to understanding how 'path-breaking' behaviour may be stimulated to encourage

partnerships to chart their own direction towards mutual transformation and counter the mimetic and coercive forces that threaten to pull them off course.

The Compass offers a timely contribution to the world of LEPs given increasing levels of scrutiny and an ongoing lack of practical guidance. Chapter 7 concludes the research with a more detailed summary of the study's empirical, theoretical and methodological contribution.

7 Conclusion

7.1 Introduction

There have been numerous attempts to establish a sub-national tier of governance for economic development in England that have largely been deemed as failures by independent or government funded studies (Pugalis and Townsend, 2013). Local Enterprise Partnerships were introduced in 2010 to replace the Regional Development Agencies and were heralded as a key part of the government's localism agenda designed to put local business and civic leaders at the helm of transforming economic growth. There was limited formal guidance at their creation, a trend that has continued throughout their lifespan and there have been calls for a greater level and consistency of support to direct them (Bentley *et al.* 2017; Pike *et al.* 2018).

This thesis addresses that gap by providing a greater understanding of the factors that underpin the effectiveness of place-based partnerships. This research aimed to explore whether there were common factors that enabled (and inhibited) the effectiveness of LEPs to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area and set a number of research objectives:

- To understand the key components of a model for partnership effectiveness where effectiveness encompasses both the quantitative measures of economic performance and the qualitative component of collaboration with consideration given to the wider local contextual attributes
- To explore the factors that drive and inhibit progress in LEPs
- To consider whether it is feasible and desirable to develop a model to assist the development of place-based partnerships

This chapter concludes the study, by outlining how these aims and objectives have been met, discussing the research's empirical, theoretical and methodological contributions, limitations and avenues for further research.

7.2 Policy implications

This research aimed to explore whether there were common factors that enabled (and inhibited) the effectiveness of LEPs to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area. Based on the empirical research, the proposition

that the right combination of enabling partnership factors will provide a more effective sub-national economic development institution that in turn should facilitate sustained economic growth is partially justified in that the findings validated the six factors within the conceptual model. This is consistent with the sizeable body of work on collaboration by Huxham, Vangen and Skelcher who, in their exploration of partnership working, argue that collaborative advantage will result from the right combination of factors but that inertia can occur where synergy is not secured. The empirical research supports the notion of collaborative advantage but identifies, in the case of LEPs, factors beyond the partnerships' control that threaten to impede their ability to drive forward a strategic vision for growth in their area.

The first research objective sought to understand the key components of a model for partnership effectiveness where effectiveness encompasses both the quantitative measures of economic performance and the qualitative components of collaboration with consideration given to the wider local contextual attributes. There was evidence across the case studies of local contextual attributes such as poor land viability and low levels of skills and literacy impeding the LEP's ability to achieve sustainable growth but institutional forces at the local and national level held a strong influence over the LEP's ability to operate effectively. To meet the second objective of exploring the factors that drive and inhibit progress in place-based partnerships, the conceptual model formed a framework for investigation and through multiple stages of data collection, the factors within the model were debated, developed and validated. However, the findings also consistently demonstrated the emergent forces of central government at the macro level that has a coercive influence on the LEPs and the micro force of local government that can have a mimetic force on the LEP, both capable of pulling the LEP off course in their ability to deliver a strategy for growth for the local area. If LEP's are to succeed in achieving their purpose of delivering a plan for sustainable growth and job creation in their area, they need to address these coercive and mimetic forces and the criterion highlighted in the Compass point to possible responses or tactics that they can adopt to manage these institutions and enable the LEP to secure the synergistic benefits of collaborative advantage.

At a policy and practitioner level, if LEPs are to succeed as place-based partnerships and fill the missing space between central and local government, they need a greater level and consistency of guidance to support long-term strategic planning, development and governance by central and local actors (Pike *et al.*, 2016). The Industrial Strategy (HM Government, 2017) confirms Government's commitment to LEPs, but the subsequent ministerial review (MHCLG, 2018) called

for increased scrutiny of their performance with the threat of funding withdrawal if they are deemed to be under-performing although there remains little clarity as to how performance and effectiveness might be gauged.

For the purpose of this study partnership effectiveness encompassed:

- the qualitative measures that encompass the components of partnership working such as quality of leadership, robustness of governance arrangements and levels of human and financial resourcing, and
- the quantitative measures of economic performance that relate to LEP interventions to improve growth in their area such job creation, skills increase, gross value added,
- with consideration given to the wider local contextual attributes such as skill and literacy levels, viability of land, and proximity of higher education institutes.

The six factors presented within the Compass of Collaboration and the nuances identified across each provide a greater level of understanding of the qualitative measures that encompass the components of effective partnership working. In the light of increased scrutiny, these can be used by LEPs and policy makers to ensure any reviews and assessments of LEP performance take these factors into consideration alongside any quantitative measures of economic performance. The findings revealed the breadth of targets and performance indicators adopted by LEPs to quantitatively measure their economic performance. This in itself would make comparison across the LEPs difficult. This is further compounded by evidence from the case studies that indicate that micro contextual attributes such as land viability, literacy levels affect LEPs differently and it would be unfair to judge a LEP with weak contextual attributes against one with strong without acknowledgement or adjustment for this.

Relatedly, the third research objective was to consider whether it was feasible and desirable to develop the conceptual model further to assist policy makers and practitioners looking to support and improve place-based partnership working. The findings of the empirical research were presented to policy makers at central and regional levels in BEIS and to LEP practitioners and received a favourable response. This provided validation of the need for a conceptual model that could support a number of activities. LEP Chief Executives felt it would assist the LEPs' ability to self-evaluate and provide a useful framework for peer review. Policy makers welcomed the model as a means to critique the LEPs and benchmark performance. As such the research culminating in the Compass of Collaboration will be of interest to policy makers and practitioners alike offering

guidance and support to an under-developed area.

Beyond the academic contribution, the empirical research contributes to the wealth of academic and policy literature on the geography of economic development. The literature on effective ecosystems and systems of innovation demonstrates a dependency on the involvement and interaction between a number of key institutions including industry, public sector authorities and local universities (Morgan, 1997; Nelson and Sampat, 2001; Rodríguez-Pose, 2013; Audretsch and Belitski, 2016; Hincks, Deas and Haughton, 2017). Alvedalen and Boschma (2017) note a gap in understanding how these different types and scales of institutions might impact on the structure and performance of the ecosystems. This research reveals the significant impact central and local government have on the LEPs in their role as drivers of the ecosystem and both are shown to be an impediment to effectiveness supporting the conceptual work of Bentley *et al.* (2017) examining the relative capacity for leadership of sub-national partnerships.

Bentley *et al.*'s (2017) exploration of the governance of sub-national territories recognises the constraining force of central government in the form of four key mechanisms and the findings of this research provide examples of all four mechanisms constraining the LEPs. The findings also demonstrate a reliance by the LEPs on local government for a variety of functions including resourcing, governance and accountability, strategic development and administration. There was evidence to suggest this was both a help and a hindrance but it was clear that the public sector actors, with their experience and access to resources, had greater power than the private sector to form, maintain, and direct the regime of the LEP (Stone, 1993; Mossberger and Stoker, 2001). Given that the LEPs were set up to be business led, this imbalance contradicts the intentions of central government and there was limited evidence to suggest that the private sector were anything more than engaged. As such the LEP model of governance remains one of conditional localism whereby LEPs remain in a position of dependency on central and locally established governance institutions to function which can limited their capacity to be transformative in their approach to spatial strategies (Healey, 2009).

The landscape of economic development has shifted over the course of the thesis most notably with the creation of Combined Authorities and the findings revealed concern amongst the LEPs over their position and security. The research suggests that the LEPs are limited in their role because they are neither afforded the freedom and flexibilities provided by a devolution model of governance (like the Combined Authorities) nor directed by a central framework for decision-making. Those that can link directly to a Combined Authority appear able to secure greater

accountability, but this raises a question as to the longevity of the LEPs who cannot move out a position of weakness and strengthen their collaborative governance arrangements by aligning to a Combined Authority model. This will be significant as the government ramps up its approach towards under-performing LEPs (MHCLG, 2018). Areas comprising two-tier authorities remain dependent on the vertical relationship with central government, vulnerable to the micro and macros forces and need a means to achieve the transformative benefits afforded by securing Combined Authority status. The Compass of Collaboration offers a model for these LEPs in particular to assess themselves and consider tactics to develop a stronger set of shared local values (thus achieving normative isomorphism) and resist the external forces to achieve a more transformative performance. Additionally they would benefit from a clearer steer from central government which implies a return to a targetry regime (Lee, 2000). Without a clearer steer, it is questionable whether transformative strategy making is feasible under this form of decentralised governance.

7.3 Empirical contributions

The findings offer a number of empirical contributions. The academic, theoretical and policy literature reviewed in chapter 2 pointed to a proposition that the right combination of enabling partnership factors provides a more effective sub-national economic development institution that in turn should facilitate sustained economic growth. The empirical research has sought to identify and explore these factors in detail to address the gap in knowledge and provide much needed guidance for place-based partnerships.

To understand the key components of a model for partnership effectiveness, the literature review demonstrated a synergy between the factors that underpin successful place-based ecosystems, including innovation and entrepreneurial systems, and the criteria of effective partnerships and collaborations. By adopting a Soft Systems Methodology, the researcher summarised the factors as a draft conceptual model comprising the six that featured most prominently in the literature namely:

- Leadership
- Partner engagement
- Structure and governance
- Vision and strategy
- Resources

- Culture and context

One of the criticisms of the entrepreneurial ecosystem literature is the lack of studies that adopt a comparative perspective (Alvedalen and Boschma, 2017) and by including a number of LEPs and undertaking cross case analysis, the findings help to address this gap in the empirical literature.

The findings make a unique contribution to the literatures on entrepreneurial ecosystems and systems of innovation through the Compass of Collaboration that provides a conceptual model of place-based partnership that, rather like the frameworks proposed by Stam, Isenberg and the WEF can be used to support the development of the LEPs but might also offer a valuable lens to explore other place-based partnership in an English context and beyond. As such the Compass of Collaboration summarises a conceptual model of place-based partnership that provides a notable contribution to the academic literature on economic ecosystems and partnership collaboration and, given the popularity of the place-based partnership as a form of governance across Europe, offers insight to these growing fields of study beyond the English context.

The thesis makes a similar contribution to the literature on partnership and collaboration. There is considerable overlap between the factors that enable (and inhibit) LEPs to provide the vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area and the wider literature on partnership effectiveness and theories of collaboration. In the detailed exploration of the LEPs, nuances have been identified across each of the six factors that expands our understanding of collaboration by establishing links to wider bodies of literature. For example, the research offers a word of caution to partnerships becoming overly embedded within the local governance landscape which counters the view of Geddes *et al.* (2007) in their evaluation of LSPs. The research finds that leadership traits are crucial but that they shift as the partnership evolves which presents a challenge to research that calls for continuity of leadership and membership (Zaccaro, 2007; McQuaid, 2009; Derue *et al.*, 2011). The partnership literature is clear on the need for effective resourcing of partnerships and the findings support this but uncover a strong appreciation of human capital notably held by long-term staff who possess valuable overt and tacit knowledge (Polanyi, 1966; Gertler, 2003).

Summary of empirical contributions:

- Synthesis of the literature on economic ecosystems and partnership collaboration to propose a conceptual model of place based partnerships.
- Application of SSM to refine the model into the Compass of Collaboration provides a unique

and practical tool to guide and support LEPs and other place-based partnership in an English context and beyond.

- Cross case analysis provides a comparative perspective to the entrepreneurial ecosystem literature that is lacking.
- Expansion to literature on institutions and how different types and scales of institutions impact on the structure and performance of economic ecosystems.
- Expansion to literature on partnership working and collaboration by establishing links to wider bodies of literature including leadership, human capital, and a clearer understanding of the impact of Institutional Theory.

7.4 Theoretical contributions

Given that the LEPs were created to secure the synergistic benefits of collaboration that would transform economic growth at the sub-national level, the principal theoretical concepts pertinent to this thesis are institutional theory (DiMaggio and Powell, 1983) and its relationship to the theory of collaborative advantage (Huxham, 1996).

The conceptual model validated a series of six factors that can enable the LEPs to secure collaborative advantage, adding to the literature here. Whilst the six factors have featured within existing literature (Huxham, 1996; Vangen and Huxham 2003, Huxham and Vangen 2004, Vangen and Huxham 2006) the sub criterion presented under each themes in the Compass of Collaboration offer greater depth of insight into the enabling and inhibiting nuances of each factor in the context of English place-based partnerships.

This thesis acknowledges the contribution of Huxham, Vangen and Skelcher who argue that if partners do not collaborate effectively and secure synergistic benefits, they fall into collaborative inertia (Huxham, 2003; Huxham and Vangen, 2004). The thesis finds that additional forces hold a strong influence over the LEPs that threaten to pull them off course in their pursuit of collaborative advantage. As such drifting into collaborative inertia is not necessarily the result of partners losing pace or motivation, but more that their efforts are thwarted by the influential forces of central and local government. Institutional theory has been applied in chapters 5 and 6 as a lens to explain this influence whereby the force of central and local government both have the potential to limit the LEPs ability to be truly transformational in their approach.

Skelcher and Sullivan (2008) explored the idea of transformative performance within collaborations and argued that it was dependent on the potential for partners within the collaboration to exercise path-breaking behaviour. To this end, DiMaggio and Powell's conceptualisation of institution isomorphism is generative for understanding how and why these forces impact the LEPs ability to pursue pathbreaking behaviour (1983).

DiMaggio and Powell identified three mechanisms for institutional isomorphism:

- coercive (external pressures forcing conformity)
- mimetic (uncertainty generating mimicry)
- normative isomorphism (professionalisation generating shared values that are reinforced through networks).

Each of these is relevant in understanding the influence of these forces on the LEPs. The external central government forces on the LEPs have been observed in the top-down allocation of resources and funding, and provision of guidance. In the case of the LEPs, the ability of these sub-national partnerships to achieve transformative performance has arguably been limited by the external pressures of central government and their role in dictating the policy discourse, rules and institutional norms of the LEPs (Skelcher, Mathur and Smith, 2005).

Mimetic isomorphism was noted in the research in the strong ties the LEPs have to local authorities as a response to the uncertainty caused by the lack of central guidance and direction for LEPs. As such, a mimicry of an established institution has enabled the LEPs to secure legitimacy from central government. The influence of the local mimetic forces was capable of both positive (tacit knowledge within the human resources, securing greater accountability) and negative outcomes (limited vision, more risk averse).

Skelcher and Sullivan (2008) argue that that normative isomorphism is more likely to generate transformation within a collaboration because there are increased possibilities for path-breaking behaviour in these less tightly structured entities than in longer-established and politically headed public bureaucracies. The findings of this research suggest that, for the LEPs, normative isomorphism has been less likely because of the over-powering coercive and mimetic forces at play. The findings suggest that path-breaking behaviour has been difficult to achieve and as a result the LEP form of governance remains one of conditional localism (Hildreth, 2011) which has placed the LEPs in a weak position of dependency on central and locally established governance institutions to function and achieve legitimacy. The Compass of Collaboration is offered as a guide to direct LEPs

towards a more transformative path.

Summary of theoretical contributions:

- An exploration of Institutional Theory and its relationship to the Theory of Collaborative Advantage
- An application of Institutional Theory to provide greater depth of understanding into the factors that enable collaborative advantage
- An application of Institutional Theory to provide greater depth of understanding of the factors that pull partnerships off-course into collaborative inertia in the context of English place-based partnerships.
- The Compass of Collaboration is an application of this understanding that can be used to partnerships towards a more transformative path.

7.5 Methodological contributions

There was no conceptual model available at the time to guide the creation of the LEPs. Central government provided little instruction or support and the LEPs have had limited formal guidance since. There have been increased calls for greater transparency and the lack of clear guidance has been repeatedly criticised.

Given the limited guidance and sharing of practice this research utilised a Soft Systems Methodology as a learning tool to address this problem and draw on the existing knowledge-base to develop and refine a conceptual model that might offer a more robust, evidenced and supportive tool that can be of value to LEPs and wider place-based partnerships.

The application of SSM has been used in small and large businesses and in the public and private sector but is most commonly applied to help solve management situations. It has been applied less commonly in the social sciences and has never been used to explore the fuzzy problem of establishing a durable system of sub-national economic governance.

The application of a SSM allowed the researcher to systematically guide the data collection which proved effective particularly in terms of its ability to accommodate different perceptions of a situation in order to reach a feasible and desirable model of improvement. As such SSM worked well in a study of place-based partnerships that differed in context, form and process and this research provides a unique contribution to the literature on SSM.

The flexibility of the methodology worked well and the four components of the process application had a logical fit with the conduct to the empirical study. The review of the knowledge-base (presented in chapter 2) provided a detailed description to fulfil what Checkland and Poulter (2006) term the 'perceived real world problem'. From here the encouragement to develop models as devices to structure debate with practitioners lent itself well to the application of the research design through the ongoing interviews and observations with LEP stakeholders. As such SSM and the tools it offers the researcher (Rich Pictures, conceptual modelling) have proved a useful means to furthering debate and providing practical solutions to England's ongoing struggle to establish a meaningful and sustainable tier of sub-national governance.

Summary of methodological contribution:

- The successful adoption of SSM to a new area of social science which demonstrates the usefulness of this methodology in this field

7.6 Methodological considerations

Whilst the application of the SSM has enabled the researcher to make a significant contribution to the academic and theoretical literature and policy field, there are a number of limitations of the methodological approach worthy of discussion.

Firstly, SSM aligns to interpretivism and is a non-reductionist method which recognises the importance of subjectivity and as such the approach has been open to criticism for its inductive nature (Mingers and Taylor, 1992; Lane and Oliva, 1998; Flood, 2010). Given the fuzzy nature of the research problem, qualitative research methods were considered more suitable and an awareness of the subjectivity was recognised in the conducting research. Attempts were made throughout the research process to reduce bias, by triangulating the data across the multiple stages of primary data collection and using secondary data to support the primary. By combining the analysis of multiple data sources with the findings from other research studies presented in the literature review the researcher was able to demonstrate another means to ensure the trustworthiness of the analysis.

A second issue concerns the validity of the findings and a number of steps were taken to address the criticisms of SSM in relation to validity given that repeatability is not possible in qualitative studies where each situation is unique (Checkland and Holwell, 1998). Steps included maintaining a clear and documented record of the whole research process that would allow any one from outside the study to follow and judge the process through which the research has been conducted,

key decisions made and findings drawn. The use of NVivo was valuable to providing an electronic means to capture the audit trail from the literature review, through each stage of the data collection and analysis and this was supplemented by the researcher's log books. The research design and findings were also subject to member validation whereby conclusions were verified through the use of an expert panel and via a final round of interviews with two of the four case study LEPs and BEIS representatives.

A third limitation concerns the generalisability of the findings. The research is reliant on a number of qualitative data collection methods and it could be argued that it is not feasible to make generalisations based on subjective qualitative data. SSM encourages the use of models to structure debate about change with participants in the 'real world' and, through further development in the conceptual world, arrive at a model that is both desirable and feasible for practitioners to apply (Checkland and Poulter, 2006). As such the Compass of Collaboration as a model to support LEPs has been deemed both feasible and desirable.

At the same time, while this research has provided detailed empirical evidence of the model as it applies to LEPs, it is necessary to avoid the 'methodological dangers of over-generalising from one or few examples' (Amin and Graham, 1997). The development of place-based partnerships is common across Europe and other countries worldwide but it not uniformly applied (see chapter 2 section 2.2.3) and so attempts to theorise about how the model might apply beyond the English context must be sensitive to different geographical and historical contexts. However, the research did find a common set of factors applied to the 38 LEPs despite distinctive variations amongst them and so the model does provide a starting point to consider other English partnership contexts and its applicability to other countries.

7.7 Future research agenda

Following on, whilst this research has contributed to understanding the factors that support LEPs as place-based partnerships, it is necessary to consider how this can be developed in future research projects. One immediate project would be the application of the Compass of Collaboration and by drawing on the expert panel test out the model as a form of self-assessment, peer review and share the model at the policy level with BEIS regional and national advisors to support their dialogue with LEPs. This approach might apply a Theory of Change approach to link context to processes and activities, and ultimately to outcomes (Mackenzie and Blamey, 2005; Geddes, Davies and Fuller, 2007). The next avenue would be to apply the model to explore its feasibility and

desirability beyond the LEP context and, as a result of this study, further research could be conducted on the applicability of the model to support the creation and evaluation of other forms of subnational governance such as the Combined Authorities. The move towards greater decentralisation is not unique to the UK but is an international phenomenon and a clear shift towards place-based policies can be traced across most EU member countries. Place-based industrial strategy features in the UK governments plans but is also a key element of the European Union's 2020 innovation programme through smart specialisation (Peck et al., 2013; Foray, 2015; McCann and Ortega-Argilés, 2015). As such, additional research into the factors that support place-based partnerships beyond the UK would be encouraged in the form of a comparative international study.

Finally, the research highlighted that the performance of LEPs was in part embedded within a location's historical and cultural context and these local contextual factors hold considerable influence over the partnerships ability to achieve growth and address pockets of under development. The government's Industrial Strategy White Paper (HM Government, 2017) in recognition of this has highlighted place as one of the foundations of productivity and tasked local areas through their Combined Authorities and LEPS to develop evidence-based, long term local industrial strategies to address the vast regional and local disparities that exist across the UK.

The priorities within these strategies must capitalise on the opportunities provided by a place's positive contextual factors, specialisms and capabilities, and address any weaknesses. The research has shown that the LEP model has not moved far from the top-down centralised approach to economic development. Further empirical enquiry is encouraged to see if the development of the Local Industrial Strategies results in a stronger set of local and inclusive plans for growth or provides another series of bids for central funds.

7.8 Summary

To conclude, this thesis builds on and contributes to work in the field of economic development, entrepreneurial and innovation systems and partnership collaboration.

Although a number of studies have examined LEPs, they have tended to focus on their early development stages or adopt a particular focus (Bentley, Bailey and Shutt, 2010; Shutt, Pugalís and Bentley, 2012; Bentley and Pugalís, 2013; Pugalís and Bentley, 2013a; Ward and Hardy, 2013). There has not been a strong focus on the factors that underpin their effectiveness and this is compounded by the lack of formal guidance.

As such, this study provides valuable insights into the factors that enable and inhibit place-based partnership and the Compass of Collaboration offers a model that will enable place-based partnerships to resist the coercive and mimetic forces of central and local government and chart a path based on shared values towards transformative strategy and allows the whole to become greater than sum of its parts.

To conclude the thesis makes a number of clear academic, theoretical, policy and methodological contributions:

- Synthesis of the literature on economic ecosystems and partnership collaboration to propose a conceptual model of place based partnerships.
- Application of SSM to refine the model into the Compass of Collaboration provides a unique and practical tool to guide and support LEPs and other place-based partnership in an English context and beyond.
- Cross case analysis provides a comparative perspective to the entrepreneurial ecosystem literature that is currently lacking.
- Expansion to literature on institutions and how different types and scales of institutions impact on the structure and performance of economic ecosystems.
- Expansion to literature on partnership working and collaboration by establishing links to wider bodies of literature including leadership, human capital, and a clearer understanding of the impact of Institutional Theory.
- An exploration of Institutional Theory and its relationship to the Theory of Collaborative Advantage.
- An application of Institutional Theory to provide greater depth of understanding into the factors that enable collaborative advantage.
- An application of Institutional Theory to provide greater depth of understanding of the factors that pull partnerships off-course into collaborative inertia in the context of English place-based partnerships.
- The Compass of Collaboration is an application of this understanding that can be used to partnerships towards a more transformative path.
- The successful adoption of SSM to a new area of social science which demonstrates the usefulness of this methodology in this field.

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**LOCALISM, REGENERATION AND RENAISSANCE:
AN EXPLORATION OF THE FACTORS THAT ENABLE
AND INHIBIT PLACE-BASED PARTNERSHIPS**

Volume 2 of 2

Appendices to the thesis

Kate Broadhurst

September 2018

Faculty of Business and Law

Coventry University

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Appendix A: Ethics application form

Localism, Regeneration and Renaissance: The Role of Central and Local Government in Driving Growth P43153



Medium to High Risk Research Ethics Approval

Project Title

Localism, Regeneration and Renaissance: The Role of Central and Local Government in Driving Growth

Record of Approval

Principal Investigator

I request an ethics peer review and confirm that I have answered all relevant questions in this checklist honestly.	X
I confirm that I will carry out the project in the ways described in this checklist. I will immediately suspend research and request new ethical approval if the project subsequently changes the information I have given in this checklist.	X
I confirm that I, and all members of my research team (if any), have read and agreed to abide by the Code of Research Ethics issued by the relevant national learned society.	X
I confirm that I, and all members of my research team (if any), have read and agreed to abide by the University's Research Ethics, Governance and Integrity Framework.	X

Name: Catherine Broadhurst.....

Date: 03/05/2016.....

Student's Supervisor (if applicable)

I have read this checklist and confirm that it covers all the ethical issues raised by this project fully and frankly. I also confirm that these issues have been discussed with the student and will continue to be reviewed in the course of supervision.

Name: Clive Winters.....

Date: 03/07/2016.....

Reviewer (if applicable)

Date of approval by anonymous reviewer: 14/07/2016

Medium to High Risk Research Ethics Approval Checklist

Project Information

Project Ref	P43153
Full name	Catherine Broadhurst
Faculty	Faculty of Business and Law
Department	Centre for Business in Society
Supervisor	Clive Winters
Module Code	FBL-PHD
EFAAF Number	
Project title	Localism, Regeneration and Renaissance: The Role of Central and Local Government in Driving Growth
Date(s)	21/09/2015 - 31/12/2018
Created	03/05/2016 13:45

Project Summary

In 2010 the Coalition Government laid out their plan for economic growth by instigating the closure of Regional Development Agencies (RDAs) and introducing Local Enterprise Partnerships (LEPs). This marked a shift away from centralised government to local communities, authorities and businesses and LEPs were established with little guidance about their terms of reference, resourcing arrangements, or lines of accountability. As such, they have developed differently and there is considerable variation amongst them not least in terms of their levels of resourcing, structures and methods of reporting. This study will explore the decentralisation of economic policy looking in particular at how LEPs manage and report on their performance and achievements. It will review the current forms of partnership management adopted by LEPs. By then critiquing established partnership management frameworks and assessing their suitability, the study will propose and test a framework that is aimed to ultimately be suitable for use by all LEPs. This application relates solely to the second phase of my PhD – primary research stage.

Names of Co-Investigators and their organisational affiliation (place of study/employer)	
Is the project self-funded?	NO
Who is funding the project?	
Has the funding been confirmed?	NO
Are you required to use a Professional Code of Ethical Practice appropriate to your discipline?	NO
Have you read the Code?	NO

Project Details

<p>What is the purpose of the project?</p>	<p>Having been established with little guidance LEPs have adopted different structures, priorities and processes of working. A House of Commons' Business Innovation and Skills Select Committee has indicated that there is a need for clearer agreed indicators of performance to enable partnership accountability, monitoring and scrutiny of the use and value of public resources by the LEPs.</p> <p>The purpose of this study is to draw on existing literature and theoretical frameworks in relation to partnership development from economic development, entrepreneurial and innovation ecosystems and partnership theory to explore the development of a partnership management and development framework. By combining this with the data and documentation on LEPs that is readily available within the public domain I plan to propose a LEP partnership management and development framework that will be subject to testing and revised accordingly to make it suitable for use by all LEPs.</p>
<p>What are the planned or desired outcomes?</p>	<p>The main outcome will be the development of a LEP partnership management and development framework. This will have been subject to testing via a case study approach and revised and refined accordingly in order to make it suitable for use by all Local Enterprise Partnerships and in so doing provide them with a means to better report on partnership performance and outcomes. This will enable LEPs to increase their accountability upwards to central government but also importantly to the communities and businesses they serve.</p> <p>For myself there are a number of other outcomes that I hope will result. I continue to build in with my supervisor goals around the dissemination of results via</p>

	<p>conferences and publications. This includes both local, professional networks including LEP networks and events but also related academic conferences. I am also keen to ensure that the findings are of value to the Centre for Business in Society within my Faculty and so continue to make full benefit of the opportunities to share the results via the seminar series within the Centre. I also aim to provide feedback to the relevant government departments – most notably BIS and CLG and to the LEP Network.</p>
Explain your research design	<p>Given the variety between LEPs in terms of their size, staffing, geography, objectives and outputs and also the different challenges each partnership faces this study leans towards an interpretivist subjective epistemology whereby the role of the researcher is to understand the meaning and motivation behind partnership effectiveness which implies that qualitative methods are better suited to exploring the values of the various actors, structures and patterns that constitute the LEP. However, in order to compare the effectiveness of LEPs a range of statistical data and metrics are readily accessible in the public domain and of use to the study. Analysis of this quantitative data will enable the researcher to develop a framework and theory of partnership effectiveness that can be tested to be either confirmed, adopted or rejected which implies a more positivism epistemology. As such this study draw on both sides of the research philosophy spectrum. It will study LEP enterprise ecosystems and networks, map local place and context and understand patterns and outcomes which would suggest an intermediate stance and support the use of both qualitative and quantitative methods.</p>
Outline the principal methods you will use	<p>The research will adopt a four staged mixed methods approach:</p> <ol style="list-style-type: none"> 1. The development of an expert panel made up of LEP lead officers will be set up in order to seek feedback and

	<p>validation on the study throughout. From a practical point of view, the panel will draw on established contacts</p> <p>2. A compilation and broadly quantitative analysis of data pertinent to LEPs will be undertaken that will draw on data from various sources including GVA, investment and gross deal income, population size and profile, business size and profile.</p> <p>3. A series of semi structured interviews with a sample of LEPs - a large scale survey of all 39 LEPs was considered but discounted early on in favour of a more qualitative method to gather sufficient data. To address time constraints, it will be necessary to draw a sample of LEPs and it is preferable to include within that sample a spread of LEP typologies. The options considered are the Midlands Engine and Northern Powerhouse (both cover 11 LEPs) and given the links already established by the researcher, the Midlands Engine seems most suitable.</p> <p>4. The development and testing of a partnership development framework via a case study approach.</p>
Are you proposing to use an external research instrument, validated scale or follow a published research method?	NO
If yes, please give details of what you are using	
Will your research involve consulting individuals who support, or literature, websites or similar material which advocates, any of the following: terrorism, armed struggles, or political, religious or other forms of activism considered illegal under UK law?	NO
Are you dealing with Secondary Data? (e.g. sourcing info from websites, historical documents)	YES
Are you dealing with Primary Data involving people? (e.g. interviews, questionnaires, observations)	YES
Are you dealing with personal or sensitive data?	NO
Is the project solely desk based? (e.g. involving no laboratory, workshop or off-campus work or other activities which pose significant risks to researchers or participants)	NO
Are there any other ethical issues or risks of harm raised by the study that have not been covered by previous questions?	NO

If yes, please give further details	
-------------------------------------	--

DBS (Disclosure & Barring Service) formerly CRB (Criminal Records Bureau)

Question		Yes	No
1	Does the study require DBS (Disclosure & Barring Service) checks?		X
	If YES, please give details of the serial number, date obtained and expiry date		
2	If NO, does the study involve direct contact by any member of the research team:		
	a) with children or young people under 18 years of age?		X
	b) with adults who have learning difficulties, brain injury, dementia, degenerative neurological disorders?		X
	c) with adults who are frail or physically disabled?		X
	d) with adults who are living in residential care, social care, nursing homes, re-ablement centres, hospitals or hospices?		X
	e) with adults who are in prison, remanded on bail or in custody?		X
	If you have answered YES to any of the questions above please explain the nature of that contact and what you will be doing		

External Ethical Review

Question		Yes	No
1	Will this study be submitted for ethical review to an external organisation? (e.g. Another University, Social Care, National Health Service, Ministry of Defence, Police Service and Probation Office)		X
	If YES, name of external organisation		
2	Will this study be reviewed using the IRAS system?		X
3	Has this study previously been reviewed by an external organisation?		X

Confidentiality, security and retention of research data

Question		Yes	No
1	Are there any reasons why you cannot guarantee the full security and confidentiality of any personal or confidential data collected for the study?		X
	If YES, please give an explanation		
2	Is there a significant possibility that any of your participants, and associated persons, could be directly or indirectly identified in the outputs or findings from this study?		X
	If YES, please explain further why this is the case		
3	Is there a significant possibility that a specific organisation or agency or participants could have confidential information identified, as a result of the way you write up the results of the study?		X
	If YES, please explain further why this is the case		
4	Will any members of the research team retain any personal or confidential data at the end of the project, other than in fully anonymised form?		X
	If YES, please explain further why this is the case		
5	Will you or any member of the team intend to make use of any confidential information, knowledge, trade secrets obtained for any other purpose than the research project?		X
	If YES, please explain further why this is the case		
6	Will you be responsible for destroying the data after study completion?	X	
	If NO, please explain how data will be destroyed, when it will be destroyed and by whom		

Participant Information and Informed Consent

Question		Yes	No
1	Will all the participants be fully informed BEFORE the project begins why the study is being conducted and what their participation will involve?	X	
	If NO, please explain why		
2	Will every participant be asked to give written consent to participating in the study, before it begins?	X	
	If NO, please explain how you will get consent from your participants. If not written consent, explain how you will record consent		
3	Will all participants be fully informed about what data will be collected, and what will be done with this data during and after the study?	X	
	If NO, please specify		
4	Will there be audio, video or photographic recording of participants?	X	
	Will explicit consent be sought for recording of participants?	X	
	If NO to explicit consent, please explain how you will gain consent for recording participants		
5	Will every participant understand that they have the right not to take part at any time, and/or withdraw themselves and their data from the study if they wish?	X	
	If NO, please explain why		
6	Will every participant understand that there will be no reasons required or repercussions if they withdraw or remove their data from the study?	X	
	If NO, please explain why		
7	Does the study involve deceiving, or covert observation of, participants?		X
	Will you debrief them at the earliest possible opportunity?		
	If NO to debrief them, please explain why this is necessary		

Risk of harm, potential harm and disclosure of harm

Question		Yes	No
1	Is there any significant risk that the study may lead to physical harm to participants or researchers?		X
	If YES, please explain how you will take steps to reduce or address those risks		
2	Is there any significant risk that the study may lead to psychological or emotional distress to participants?		X
	If YES, please explain how you will take steps to reduce or address those risks		
3	Is there any risk that the study may lead to psychological or emotional distress to researchers?		X
	If YES, please explain how you will take steps to reduce or address those risks		
4	Is there any risk that your study may lead or result in harm to the reputation of participants, researchers, or their employees, or any associated persons or organisations?		X
	If YES, please explain how you will take steps to reduce or address those risks		
5	Is there a risk that the study will lead to participants to disclose evidence of previous criminal offences, or their intention to commit criminal offences?		X
	If YES, please explain how you will take steps to reduce or address those risks		
6	Is there a risk that the study will lead participants to disclose evidence that children or vulnerable adults are being harmed, or at risk or harm?		X
	If YES, please explain how you will take steps to reduce or address those risks		
7	Is there a risk that the study will lead participants to disclose evidence of serious risk of other types of harm?		X
	If YES, please explain how you will take steps to reduce or address those risks		
8	Are you aware of the CU Disclosure protocol?	X	

Payments to participants

Question		Yes	No
1	Do you intend to offer participants cash payments or any kind of inducements, or reward for taking part in your study?		X
	If YES, please explain what kind of payment you will be offering (e.g. prize draw or store vouchers)		
2	Is there any possibility that such payments or inducements will cause participants to consent to risks that they might not otherwise find acceptable?		
3	Is there any possibility that the prospect of payment or inducements will influence the data provided by participants in any way?		
4	Will you inform participants that accepting payments or inducements does not affect their right to withdraw from the study at any time?		

Capacity to give valid consent

Question		Yes	No
1	Do you propose to recruit any participants who are:		
	a) children or young people under 18 years of age?		X
	b) adults who have learning difficulties, mental health condition, brain injury, advanced dementia, degenerative neurological disorders?		X
	c) adults who are physically disabled?		X
	d) adults who are living in residential care, social care, nursing homes, re-ablement centres, hospitals or hospices?		X
	e) adults who are in prison, remanded on bail or in custody?		X
	If you answer YES to any of the questions please explain how you will overcome any challenges to gaining valid consent		
2	Do you propose to recruit any participants with possible communication difficulties, including difficulties arising from limited use of knowledge of the English language?		X
	If YES, please explain how you will overcome any challenges to gaining valid consent		
3	Do you propose to recruit any participants who may not be able to understand fully the nature of the study, research and the implications for them of participating in it or cannot provide consent themselves?		X
	If YES, please explain how you will overcome any challenges to gaining valid consent		

Recruiting Participants

Question	Yes	No
1 Do you propose to recruit any participants who are:		
a) students or employees of Coventry University or partnering organisation(s)?		X
If YES, please explain if there is any conflict of interest and how this will be addressed		
b) employees/staff recruited through other businesses, voluntary or public sector organisations?	X	
If YES, please explain how permission will be gained	There will be an expert panel who will be recruited using existing professional contacts of the researcher. There will be a series of semi structured interviews and participants will be contacted via email and asked if they wish to participate. The contact details of the interviewees (LEP operational officers) are in some case known to the researcher already and in all cases in the public domain.	
c) pupils or students recruited through educational institutions (e.g. primary schools, secondary schools, colleges)?		X
If YES, please explain how permission will be gained		
d) clients/volunteers/service users recruited through voluntary public services?		X
If YES, please explain how permission will be gained		
e) participants living in residential care, social care, nursing homes, re-ablement centres hospitals or hospices?		X
If YES, please explain how permission will be gained		
f) recruited by virtue of their employment in the police or armed forces?		X
If YES, please explain how permission will be gained		
g) adults who are in prison, remanded on bail or in custody?		X
If YES, please explain how permission will be gained		
h) who may not be able to refuse to participate in the research?		X
If YES, please explain how permission will be gained		

Online and Internet Research

Question		Yes	No	
1	Will any part of your study involve collecting data by means of electronic media (e.g. the Internet, e-mail, Facebook, Twitter, online forums, etc)?	X		
	If YES, please explain how you will obtain permission to collect data by this means	Data on LEPs will be collected via the internet as it is accessible via ONS and other government data websites. As such it is already in the public domain.		
2	Is there a possibility that the study will encourage children under 18 to access inappropriate websites, or correspond with people who pose risk of harm?		X	
	If YES, please explain further			
3	Will the study incur any other risks that arise specifically from the use of electronic media?		X	
	If YES, please explain further			
4	Will you be using survey collection software (e.g. BoS, Filemaker)?		X	
	If YES, please explain which software			
5	Have you taken necessary precautions for secure data management, in accordance with data protection and CU Policy?	X		
	If NO	please explain why not		
	If YES	Specify location where data will be stored	Following recognised good practice all data and documentation (existing and generated for the project) will be stored on the University's secured server and an external, encrypted hard drive that will be kept separate from the main datasets storage. Files will be labelled appropriately to log different versions of documents and by setting specific folders for definitive, milestone versions of documents.	
		Planned disposal date	31/12/2018	
		If the research is funded by an external organisation, are there any requirements for storage and disposal?		X
	If YES, please specify details			

Languages

Question		Yes	No
1	Are all or some of the consent forms, information leaflets and research instruments associated with this project likely to be used in languages other than English?		X
	If YES, please specify the language[s] to be used		
2	Have some or all of the translations been undertaken by you or a member of the research team?		
	Are these translations in lay language and likely to be clearly understood by the research participants?		
	Please describe the procedures used when undertaking research instrument translation (e.g. forward and back translation), clarifying strategies for ensuring the validity and reliability or trustworthiness of the translation		
3	Have some or all of the translations been undertaken by a third party?		
	If YES, please specify the name[s] of the persons or agencies performing the translations		
	Please describe the procedures used when undertaking research instrument translation (e.g. forward and back translation), clarifying strategies for ensuring the validity and reliability of the translation		

Laboratory/Workshops

Question		Yes	No
1	Does any part of the project involve work in a laboratory or workshop which could pose risks to you, researchers or others?		X
	<p>If YES:</p> <p>If you have risk assessments for laboratory or workshop activities you can refer to them here & upload them at the end, or explain in the text box how you will manage those risks</p>		

Research with non-human vertebrates

Question		Yes	No
1	Will any part of the project involve animal habitats or tissues or non-human vertebrates?		X
	If YES, please give details		
2	Does the project involve any procedure to the protected animal whilst it is still alive?		
3	Will any part of your project involve the study of animals in their natural habitat?		
	If YES, please give details		
4	Will the project involve the recording of behaviour of animals in a non-natural setting that is outside the control of the researcher?		
	If YES, please give details		
5	Will your field work involve any direct intervention other than recording the behaviour of the animals available for observation?		
	If YES, please give details		
6	Is the species you plan to research endangered, locally rare or part of a sensitive ecosystem protected by legislation?		
	If YES, please give details		
7	Is there any significant possibility that the welfare of the target species of those sharing the local environment/habitat will be detrimentally affected?		
	If YES, please give details		
8	Is there any significant possibility that the habitat of the animals will be damaged by the project, such that their health and survival will be endangered?		
	If YES, please give details		
9	Will project work involve intervention work in a non-natural setting in relation to invertebrate species other than Octopus vulgaris?		
	If YES, please give details		

Blood Sampling / Human Tissue Analysis

Question		Yes	No
1	Does your study involve collecting or use of human tissues or fluids? (e.g. collecting urine, saliva, blood or use of cell lines, 'dead' blood)		X
	If YES, please give details		
2	If your study involves blood samples or body fluids (e.g. urine, saliva) have you clearly stated in your application that appropriate guidelines are to be followed (e.g. The British Association of Sport and Exercise Science Physiological Testing Guidelines (2007) or equivalent) and that they are in line with the level of risk?		
	If NO, please explain why not		
3	If your study involves human tissue other than blood and saliva, have you clearly stated in your application that appropriate guidelines are to be followed (e.g. The Human Tissues Act, or equivalent) and that they are in line with level of risk?		
	If NO, please explain why not		

Travel

Question	Yes	No
<p>1 Does any part of the project require data collection off campus? (e.g. work in the field or community)</p> <p>If YES: You must consider the potential hazards from off campus activities (e.g. working alone, time of data collection, unfamiliar or hazardous locations, using equipment, the terrain, violence or aggression from others). Outline the precautions that will be taken to manage these risks, AS A MINIMUM this must detail how researchers would summon assistance in an emergency when working off campus. For complex or high risk projects you may wish to complete and upload a separate risk assessment</p> <p>Data collection during the semi structured interviews and case studies will take place off campus at the LEP offices. Data collection will therefore take place during core office hours and the researcher will not be lone working during this period. The researcher will ensure that the Director of Studies knows when they are undertaking the off campus work and that she is able to contact them to summon assistance in an off campus emergency.</p>	X	
<p>2 Does any part of the project involve the researcher travelling outside the UK (or to very remote UK locations)?</p> <p>If YES: Please give details of where, when and how you will be travelling. For travel to high risk places you may wish to complete and upload a separate risk assessment</p>		X
<p>3 Are all travellers aware of contact numbers for emergency assistance when away (e.g. local emergency assistance, ambulance/local hospital/police, insurance helpline [+44 (0) 2071 737797] and CU's 24/7 emergency line [+44 (0) 2476 888555])?</p>		
<p>4 Are there any travel warnings in place advising against all, or essential only travel to the destination?</p> <p>NOTE: Before travel to countries with 'against all travel', or 'essential only' travel warnings, staff must check with Finance to ensure insurance coverage is not affected. Undergraduate projects in high risk destinations will not be approved</p>		
<p>5 Are there increased risks to health and safety related to the destination? e.g. cultural differences, civil unrest, climate, crime, health outbreaks/concerns, and travel arrangements?</p> <p>If YES, please specify</p>		
<p>6 Do all travelling members of the research team have adequate travel insurance?</p>		
<p>7 Please confirm all travelling researchers have been advised to seek medical advice regarding vaccinations, medical conditions etc, from their GP</p>		

Appendix B: Glossary of abbreviations and key terms

Abbreviation	Expanded Meaning
BEIS:	(Department for) Business, Energy and Industrial Strategy
BIS:	(Department for) Business, Innovation and Skills
CBI:	Confederation of Business Industry
DCLG:	Department for Communities and Local Government
D2N2:	Derby & Derbyshire, Nottingham & Nottinghamshire LEP
ESIF:	European Structural Investment Fund
EU:	European Union
FSB:	Federation of Small Businesses
GVA:	Gross Value Added
IoD:	Institute of Directors
KPI:	Key Performance Indicator
LEP:	Local Enterprise Partnership
LGF:	Local Growth Fund
LIS:	Local Industrial Strategy
MCA:	Mayoral Combined Authority
MHCLG:	Ministry for Housing, Communities and Local Government
NAO:	National Audit Office
NIS:	National Innovation System
OECD:	Organisation for Economic Co-operation and Development
PESTLE:	Political, Economic, Social, Technological, Legal, Environmental
RDA:	Regional Development Agency
RIS:	Regional Innovation System
SEP:	Strategic Economic Plan
SSM:	Soft Systems Methodology

TEC: Training and Enterprise Council

WEF: World Economic Forum

Key Terms

LEP Chief Executive

This term is used throughout the thesis to cover the role held by the head of the LEP executive most commonly termed the Chief Executive but in some LEPs referred to as the LEP Chief Officer, Director or Partnership Manager.

European Structural Investment Fund (ESIF)

ESIF is the term for the funding allocations that support investment in innovation, businesses, skills and employment and create jobs. It includes money from the European Social Fund (ESF) which focuses on improving the employment opportunities, promoting social inclusion and investing in skills by providing help people need to fulfil their potential, the European Regional Development Fund (ERDF) which supports research and innovation, small to medium sized enterprises and creation of a low carbon economy and European Agricultural Fund for Rural Development (EAFRD) which supports rural businesses to grow and expand, improve knowledge and skills and get started.

Regional Development Agency

The Labour government established eight Regional Development Agencies (RDAs) via the Regional Development Agencies Act 1998 with a ninth in London established in 2000 following the establishment of the Greater London Authority. Each RDA had five statutory purposes:

- To further economic development and regeneration
- To promote business efficiency, investment and competitiveness
- To promote employment
- To enhance development and application of skill relevant to employment
- To contribute to sustainable development

Regional Government Offices

Regional Government Offices were established in 1994 as the primary means by which a wide range of policies and programmes of central government were delivered in the regions of England.

Local Enterprise Partnership

Set up in 2010 by a Coalition government of the Conservative and Liberal Democrat parties, there are 38 across England that operate as voluntary partnerships, led by the private sector in partnership with the public, developing plans to stimulate local growth.

Local Growth Fund

The Local Growth Fund provides funds to LEPs for projects that benefit the local area and economy. There have been three rounds of funding; the allocation of round 1 funding was announced in July 2014, round 2 in January 2015 and round 3 between January and March 2017.

Combined Authority

Combined Authorities are legal structures set up by local authorities in England. The Local Democracy, Economic Development and Construction Act 2009 and the Cities and Local Government Devolution Act 2016 gave local authorities the ability to combine voluntarily with other authorities and pool responsibility and resource whilst being afforded greater delegated functions from central government to deliver transport, regeneration and economic development services more efficiently and effectively. The rationale behind the creation of Combined Authorities was they enabled councils to collaborate across local authority boundaries and take advantage of powers and resources devolved from central government (LGA, 2017).

Organisation for Economic Co-operation and Development

The OECD aims to promote policies that improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems.

World Economic Forum

The World Economic Forum is an independent international organisation committed to improving the state of the world by engaging business, political, and academic leaders. It was established in 1971 as a not-for-profit foundation and is headquartered in Geneva, Switzerland.

Midlands Engine/ Northern Powerhouse

The Midlands Engine/ Northern Powerhouse are coalitions of Councils, Combined Authorities, Local Enterprise Partnerships, Universities and businesses across their region, working with Government to build a collective identity, that enables those regions to present themselves as a competitive and compelling offer that is attractive at home and overseas.

Localism

The term localism is used to describes the political philosophy which prioritises the local and supports local control of government.

Regionalism

The term regionalism is used to describes the political philosophy that focuses on the normative interests of a particular region as a subnational entity.

Centralism

The term centralism is used to describes the political philosophy that focuses on the concentration of power and control under a single central authority.

Big Society

A concept whereby a significant amount of responsibility for the running of a society is devolved to local communities and volunteers to secure the regeneration and growth for all localities and where enterprise and social responsibility play a greater role.

LEP Network

The LEP Network was established as a means to enable LEPs to come together on areas of shared importance, engage with government, facilitate dialogue with economic development stakeholders, and share knowledge. It operates as a not-for-profit company limited by guarantee.

Appendix C: Research tools

Appendix C1: Information sheet and consent form

Localism, Regeneration and Renaissance: The Role of Central and Local Government in Driving Growth

Introduction to the Study

In 2010 the Coalition Government laid out their plan for economic growth by instigating the closure of Regional Development Agencies (RDAs) and introducing Local Enterprise Partnerships (LEPs). This marked a shift away from centralised government to local communities, authorities and businesses and LEPs were established with little guidance about their terms of reference, resourcing arrangements, or lines of accountability. As such, they have developed differently and there is considerable variation amongst them not least in terms of their levels of resourcing, structures and methods of reporting. This study is exploring the decentralisation of economic policy looking in particular at how LEPs manage and report on their performance and achievements. It aims to develop and test a framework that is aimed to be suitable for use by all LEPs.

This sheet is for you to keep and tells you more about the study and what it involves.

- As part of the study I am going to interview representatives from Local Enterprise Partnerships.
- The researcher who will conduct this study is based at the Centre for Business in Society at Coventry University
- All the interviews will be face to face discussions or over the phone, of approximately one hour.
- With your permission, I shall digitally record your interview, and then it will be written out so that we have a record of what was said in the interview.
- The written interview will be held on a password protected computer file.
- When I write up the interviews I shall change organisations and people's names to protect the identities of everyone who has taken part.
- The study is independent and the researcher is funded by the University.
- If you agree to take part in this interview, but feel at any stage that you would like to stop, you are free to do so at any time, and your data will be destroyed.

- If after the interview has taken place you decide you do not want your comments used in the study, you are free to do so and your data will be destroyed.
- If you have any questions about this study, feel free to contact me or my Director of Studies:

Kate Broadhurst

Dr Clive Winters

PhD Researcher

Associate Pro Vice Chancellor (Government)

CBiS

Vice Chancellor's Office

Coventry University

Coventry University

Please initial

1. I confirm that I have read and understood the information for the above study and have had the opportunity to ask questions

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason

3. I understand that all the information I provide will be treated in confidence

4. I understand that I also have the right to change my mind about participating in the study for a short period after the study has concluded (insert deadline here)

5. I agree to be filmed/recorded (delete as appropriate) and for anonymised quotes to be used as part of the research project

6. I agree to take part in the research project

Name of participant:

Signature of participant:

Date:

Name of Researcher:

Signature of researcher:

Date:

Appendix C2: Interview schedule for the 10 LEPS

Section 1: Personal details

Questions	Instructions to interviewer
Name and job title	Probe for length of time in role, nature of role and which organisation employs them?

Section 2: History and Structure to the LEP

In your view what is the purpose of the LEP?	
What geographical reach do you cover?	
How is the LEP structured?	How was this decided upon at the time that the LEP was set up? Is this a natural geography?
Can you tell me a bit about membership of the LEP (board, exec, sub groups)?	How was this decided upon and has this evolved over time? Pre-existing or new? How was this decided upon and has this evolved over time?
Who does the LEP report to?	Probe - private, public, HE triple helix Partners missing or under represented? Steps to address this? Is membership balanced, inclusive, efficient in your opinion?
What support was available to the LEPs during their creation? And from who?	Formally/ informally and how?
How is experience and practice shared between LEPs now?	Was the level of support as you expected?

Section 3: LEP Vision and Strategy

Does the LEP have a strategic vision? What is it?	How was this developed? Has it changed at all?
Does the LEP have strategic aims and objectives? What are they?	How were they decided upon? Explore the social, historical, political, cultural influences on decision making
Has the LEP set overarching KPIs/ targets to achieve those aims and objectives? What are they?	How were they set? Are they intended to be realistic, challenging, aspirational?
How are those targets being delivered? How were workplans developed?	Are there activities or clusters of activity in place?

Section 4: Partner Engagement and Leadership

Who provides the leadership for the LEP?	Probe on strategic and operational leadership and where the power lies
How was the leadership chosen?	Has the leadership changed at all in the LEPs lifetime? Why? Impact?
Do you work across borders and in collaboration with other LEPs?	Why, who and what benefits/ challenges does this bring?
What about collaboration with Combined Authority, Midlands Engine?	Why, who and what benefits/ challenges does this bring?

How would you summarise partnership culture in your area?	Probe - trust, mutualism, cop-operative, shared goals/ vision, outcome oriented, ask for examples of nurturing the partnership
--	--

Section 5: Resourcing

What support does the LEP have in terms of staffing?	Probe for core/mainstream, programme etc, private sector, HE, other partner investment
What other resources does the LEP have?	
Is the level of resource available sufficient to enable the LEP to achieve its goals?	

Section 6: Impact: Enablers and Inhibitors

What impact has the LEP had on local economic growth/ development?	How do you know? Outputs and outcomes
What processes are in place to guide delivery and measure/ report on performance?	Where does that information go?
Has the LEP brought about any wider impact?	

Appendix C3: Case study interview schedule

Date	Interview with	LEP
Can you outline your role/ organisation and how long you have been involved with the LEP?		

Which factors do you consider to be important in enabling LEPs to operate successfully?

Which factors inhibit their potential for success?

The next sections focus on a range of criteria that have been shown to influence partnerships. I am interested in your thoughts on these areas in relation to your LEP.

Criteria 1: Leadership

Criteria 2: Partner Engagement

Criteria 3: Support and resources

Criteria 4: Structure and governance

Criteria 5: Strategic vision and planning

Criteria 6: History of partnership and scale

Criteria 1: Leadership – do you consider leadership to be a driving or inhibiting factor
Is there sufficient seniority within the LEP leadership?
Has there been continuity and competency in Chairs and Chief Officers? Is this important?
What is the local commitment, visibility, profile of Chair?

Criteria 2: Partner Engagement - do you consider this to be a driving or inhibiting factor
Is there evidence of partnership density and a partner mix that is complimentary, multi sectoral
Are you confident that partners are motivated and willing to engage?

Methods of engagement including availability and variety of LEP events? What has worked and what hasn't?

Criteria 3: Support and resources do you consider this to be a driving or inhibiting factor
Is the level of support and resource sufficient to enable the LEP to achieve its goals?
Synergy – is there evidence of pooling and partnership co-ordination of resources?
Leverage – is the balance right between public and private money, skills and capacity
People – do staff and those engaged have an appropriate level of capacity and skills within the LEP
Influence of central government?

Criteria 4: Structure and governance do you consider this to be a driving or inhibiting factor
Is there a clarity to the structure and governance arrangements of the LEP?
What evidence is there of being embedded into the local governance landscape?
Is the structure fit for purpose? Lean not unwieldy structures?

--

Criteria 5: Strategic vision and planning do you consider this to be a driving or inhibiting factor
Does the LEP have a clear vision and shared purpose that is agreed upon by all partners?
Have you adopted a systematic and workable economic plan?
Were the targets, resources and performance review arrangements agreed upon by partners?

Criteria 6: History of partnership do you consider this to be a driving or inhibiting factor
Was the local context and institutional network favourable to the creation of the LEP? Is it now?
Is there evidence of a natural economic geography and scale to the LEP boundary?
Is there a history of positive collaboration and trust between partners?

Summing Up

Of the 6 areas discussed which has had the most influence on the operation of your LEP?

Are any factors missing?

What about the influence of external factors?

Appendix C4: Board meeting observation record

Descriptive Factors

- Date:
- Location:
- Event time start/ end:
- General Observations on the room layout etc

Focused Factors

- Number of attendees
- Male/ Female:
- Ethnicity:
- Participation and engagement:

Selective Factors

Leadership

- Seniority of the chair and LEP Director/ Chief Officer
- Continuity and competency in chairing ability and Chief Officer experience
- Local commitment, visibility, profile of Chair

Partner Engagement

- Evidence of partnership density and partner mix is complimentary, multi sectoral
- Availability and variety of LEP events
- Motivation and willingness of partners

Support and resources

- Synergy – evidence of pooling and partnership co-ordination of resources
- Leverage – balance between public and private money, skills and capacity
- People – appropriate level of capacity and skills within the LEP

Structure and governance

- Clarity of structure and governance arrangements
- Evidence of embeddedness into the local governance landscape
- Lean not unwieldy structures

Strategic vision and planning

- Clear vision and shared purpose
- Systematic and workable economic plan
- Targets, resources and performance review have been agreed

History of partnership

- Favourable local context and institutional network
- Evidence of natural economic geography and scale
- History of positive collaboration and trust between partner

Emerging Themes

Actions:

Appendix C5: Authentication and validation interview schedule

Date	Interview with	Organisation

This research explores the decentralisation of economic policy looking at how LEPs operate as the institution between central government and the local economy with the aim of drawing good practice. The focus of the study is on 10 LEPs in the Midlands with the aim of sharing good practice.

The report draws on empirical data to propose a series of variables that drive LEP progress. It begins with a short executive summary, with section 1 through to 3 covering the key points of the substantive literature review and the research objectives and methodology. The early findings are presented in Section 4 and Section 5 summarises some of the key discussion points that will form the basis of a final round of interviews with LEP partners to consider whether it is feasible, or indeed desirable, to develop a single model to support LEP development.

Assurance of confidentiality

Your participation and support of the research to date has been invaluable and I would welcome your views on the early findings at this stage to guide and validate the development of the model. The following points are of interest:

1. Do you agree that the criteria (summarised in Tables 2: pages 22-24) are the driving factors for LEP collaboration?
2. Is there anything missing from the criteria?
3. Are some of the criteria of greater importance than others in your view?
4. Have the findings been of interest to you? Has it increased your knowledge of LEPs and partnership collaboration?

In addition to the academic outputs the research is intended to be of practical benefit to LEPs and wider policy stakeholders.

1. How can the research findings be presented to be of greatest value to you?
2. Individual case study reports will be made available to each case study LEP: what format should these take?

3. How can the research findings be presented to be of greatest value to policy makers in the broader arena of economic development/ decentralisation and partnership collaboration?
4. Any other comments or points of feedback?
5. Opportunities to present and share the findings?

Given the ongoing development of the study, the report has been flagged as a confidential draft and not for wider circulation.

Appendix D: Anonymisation framework

Contact (removed for the thesis)	LEP Code	Director	Chair	Business	HEFE	Public sector
LEP	1	1.1	1.2	1.3	1.4	1.5
LEP	2	2.1				
LEP	3	3.1				
LEP	4	4.1	4.2	4.3	4.4	4.5
LEP	5	5.1				
LEP	6	6.1				
LEP	7	7.1				
LEP	8	8.1 A&B	8.2	8.3	8.4	8.5
LEP	9	9.1				
LEP	10	10.1 A&B	10.2	10.3	10.4	10.5
Wider stakeholders	11					
	12					
	13					

Appendix E: Coding framework

Research Aim: To explore whether there are common factors that enable (and inhibit) Local Enterprise Partnerships

The study is then guided by several key research objectives:

- RO1: To understand the key components of a model for partnership effectiveness
- RO2: To explore the factors that drive and inhibit progress in Local Enterprise Partnerships
- RO3: To consider whether it is feasible and desirable to develop a model to assist the development of place based partnerships

Partnership Criteria

Code	Notes	
Leadership	Descriptive or inferred information on detail, style and effectiveness of LEP leadership including Chair, Vice, Director roles	RO1 RO2
Partner Engagement	Descriptive or inferred information on levels of partner involvement including recruitment, and wider access	RO1 RO2
Structure and governance	Descriptive or inferred information on LEP structures, changes to structure, accountability and governance frameworks	RO1 RO2
Resources	Descriptive or inferred information on levels and quality of human and financial resources and skill sets within the LEP team and Board	RO1 RO2
Vision and strategy	Descriptive or inferred information on the approach to setting and delivering on the LEP vision and strategy	RO1 RO2

Local context of partnership	Descriptive or inferred information on historical context to the LEP and micro PESTLE factors	RO1
		RO2

Emerging Themes Added In

Centralism/ central government influence	Descriptive or inferred information on the balance/ relationship between central and local government agencies	RO1 RO2
Local authority influence	Descriptive or inferred information on influence and power of local government agencies	
Combined Authorities	Descriptive or inferred information on the creation and impact of CAs	RO1 RO2
Diversity	Descriptive or inferred information on diversity within the Board and LEP team including gender, ethnicity	RO1 RO2
Trust	Descriptive or inferred information on the influence of trust between partners	RO1 RO2
Positive	Added in to search for content that is presented positively	RO1 RO2 RO3
Negative	Added in to search for content that is presented negatively	RO1 RO2 RO3
Inhibitor	Added in to search for factors that are presented as inhibitor	RO1

		RO2
		RO3
Enabler	Added in to search for factors that are presented as enablers	RO1
		RO2
		RO3
Model	Added in to search for content that covers whether a model would be of value	RO3

Appendix F: Case study selection

To explore the feasibility and desirability of the conceptual model across a number of different scenarios, different typologies of partnership needed to be identified to form the basis of the case study selection. Data from the review of SEPs and interviews with 10 LEPs was used to explore the proposition that the right combination of enabling partnership factors provides a more effective sub-national economic development institution that in turn should facilitate sustained economic growth and identify partnerships who confirmed and deviated from the proposition.

To assess the proposition, each of the 10 LEPs were scored on two areas: (1) relative partnership strength using the factors within the conceptual model and (2) relative LEP growth outcomes using a range of output measures. The following sections cover each element in turn.

Assessment of Partnership Strength

To assess relative strength each LEP was scored against the conceptual model. Initially a 4-point scale was developed and explored:

- 3: a high level of evidence of the presence of the enabling factors and absence of inhibiting factors have been noted within the documentation review and/ or interview with Chief Executive and / or BEIS
- 2: a medium level of evidence of the presence of the enabling factors and absence of inhibiting factors have been noted within the documentation review and/ or interview with Chief Executive and / or BEIS
- 1: a weak level of evidence of the presence of the enabling factors and absence of inhibiting factors have been noted within the documentation review and/ or interview with Chief Executive and / or BEIS
- 0: no evidence of the presence of the enabling factors have been noted within the documentation review and/ or interview with Chief Executive and / or BEIS but evidence of inhibitors present.

Applying an ordinal scale proved challenging and difficulties were experienced in developing a tight explanation of the underlying construct of the scale. The scale was rejected for being too subjective to allow for consistent data interpretation, which presented too great a risk that the data could be interpreted differently by readers of and respondents to the research which would present a challenge to the reliability of the study. The application of triangulation was chosen as a suitable

alternative (Krause and Denzin 1989, Denzin and Lincoln 2000) and by looking for evidence of each factor across multiple sources of data the research was able to enhance the reliability of results (Stavros and Westberg 2009). Notes were recorded summarised in Table 1.

Table 1: Relative Partnership Strength: Notes

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
4	<p>Leadership identified in the SEP as a key factor for collaboration (2014:6)</p> <p>Continuity in the Chair since inception brings stability</p> <p>Interviews suggests Chair is well respected figure with experience of working in public,</p>	<p>Board has 7 public sector reps, 8 private sector directors (including the chair) HE FE rep speaks on behalf of the other institutions and an observer from the VCS attends</p> <p>Good mix of partners from all sectors.</p> <p>Interview suggests they adopt an inclusive approach - business</p>	<p>Above average levels of staffing and support for size of area/ population with 25-30 staff and growing as recruitment is ongoing to ensure skill sets of the LEP are met.</p> <p>Growth Deal per resident population is lowest of all but LAs each contribute</p>	<p>Decision taken from outset to form a separate company limited by guarantee to allow the LEP to be impartial, fair, transparent, accountable</p> <p>SEP details the structural and governance arrangements in place and provides a clear graphic of the</p>	<p>Clearly set out vision to reinforce and develop the area as one of the most innovative, successful and high performing economies in England by 2020. SEP details clearly the overarching targets that are focused on 4 objectives areas. Clear range of projects with implementation plans and targets and</p>	<p>Some history to the area so evidence base that it is a functional economic area and appears to be a genuine and established willingness to collaborate amongst partners.</p> <p>Being a Company Ltd by guarantee is seen as an advantage to balancing power between partners but in terms of</p>

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
	<p>private and FE</p> <p>Chair is senior and locally committed</p>	<p>led but inclusive to other partners</p> <p>Active growth hub with lots of events</p> <p>Has agreements in place to deal with overlap and collaborates beyond its borders</p>	<p>an amount to support LEP exec team and LEP also pulls in LA economic development officers as a resource and within the SEP they evidence around £290m of investments from other public and private sector leverage</p> <p>Staff in the exec have worked locally for some time so offer retained knowledge</p>	<p>structure and lines of reporting and accountability that appear fit for purpose.</p> <p>Interviews highlights assurance frameworks have been reviewed</p>	<p>resources allocated</p> <p>Links made to LA plans and working towards a wider spatial plan that transcends the LA boundaries</p>	<p>devo deals a Mayor for the LEP area would be difficult</p> <p>Interview identified the area as a natural growth area with retained staff in place</p>

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
			and experience			
5	On their second Chair who is a senior private sector figure with local connection and is on the board of the Midlands Engine but have been queries over leadership raised in interview. Previous chair in post for three years so some evidence of continuity. Strong influence of LA leaders is present and some tension	Balance of public and private sector membership and HE FE VCS represented. LEP host an annual week-long Business Festival which is a strong programme of events, and generally viewed as an inclusive partnership which advances private sector ambitions with public sector security – but some calls for private sector to take	Well-resourced and above average in terms of staffing team. All LAs contribute, and the SEP aims to lever £2.5bn private investment by 2020	Governance arrangements have been reviewed and reinforced by the assurance framework. Clear structure and governance arrangement provided in the SEP and the Growth Board includes all the LAs so embedded into local governance structures.	Clear vision and systematic economic plan but Chief Exec considered it too broad and lacking ambition so in need of refinement and greater focus	History of working together across the local authorities but still some mistrust Evidence of some benefit in working with a neighbouring LEP that was rejected in favour of travel to work geography

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
	between private and public sector leadership evident from interviews	greater ownership and leadership				
8	<p>First chair was in post a short time and lacked time commitment. From 2012/3 a new Chief Exec and Chair in place which appears to have strengthened the leadership.</p> <p>Chair is local and experienced but early tension between different LA partners</p>	<p>Wide programme of business engagement events organised and business attends the LEP board and sub groups but whether it is business led is unclear and queried in interview.</p> <p>Clear tensions managing the multiple partners who have not had to collaborate</p>	<p>Team of 20 staff so above average team compared to other LEPs and by size of population. Lack of clarity in the SEP about leverage of other resources from partners and below other areas in growth deal funding per resident population. Chief Exec is not local so unclear whether</p>	<p>Has already been reinforced in recognition of weaknesses in governance but these are difficult arrangements operating across 19 LA districts with tensions evident which requires 2 joint committees as such structure is complex. Also, a lack of local</p>	<p>Has a vision statement but tends to go with its strapline of 'The UK's most inspirational postcode' instead but unclear whether partners are aligned around the vision.</p> <p>SEP is confusing and reads as though it is trying to tackle too broad a remit with little detail on KPI and</p>	<p>There was little historical context to the LEP boundary and the partners appear to have been forced to work together – one of the later LEPs to be approved</p> <p>Appears to have been mistrust where partners have struggled with the geography and these tensions remains.</p>

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
	<p>had to be managed. Also have the tensions of 19 LAs leaders and earlier decision not to include the districts in the membership to contend with. Managing the network of actors alone is said to be challenge so leading is difficult</p>	<p>across this space before so query over trust. But the LEP strives to be inclusive including FE HE VCS as well as LA at both tiers. Not clear whether there is a genuine commitment to engage in the partnership or is it being dragged along by the LEP exec team and partners lack clarity and commitment</p>	<p>staff have the retained knowledge and exacerbated by working across a new geography</p>	<p>history of collaboration to contend with and unclear how LEP embeds into local governance arrangements.</p>	<p>resources. View is supported by the Chief Exec comments</p>	<p>Chief Exec brought in in 2012 and is not local</p>

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
2	<p>Solid and consistent Chair and a Chief Exec with a strong commercial background. Interviews endorsed the Chairs skills and qualities and political astuteness</p>	<p>Very proactive on business engagement and appears to be growing trust building between partners despite a new geography for the LEP</p> <p>Good density of partners engaged in the LEP Board and through a variety of other events</p>	<p>Small core team of around 11 so below average but they pool resources from other partners including the LAs and HE as match. Has also been successful in securing private sector funding. Staff have a history of working locally so retained knowledge is there</p>	<p>Ltd by guarantee since 2014 and adopts a clear and lean governance structure embedded into the local arrangements but with some separation from it also. High degree of transparency also in terms of availability of information on web. Is progressing a devolution deal on the same boundary as the LEP</p>	<p>SEP has a vision that is conveyed through a broad overarching plan. It then has an annual business plan that's the focused delivery plan with stretching targets. Evidence based and evaluation is strong according to the interview. Unclear how plan links to LA plans</p>	<p>Has given consideration to natural economic geography and partners work with others to create scale but no real history to collaboration across this area. That said progressing with a CA bid along same boundary so the geography is working and appears to have been successful over the 5+ years it has been operational</p>

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
3	Strong, consistent and politically connected Chair is recognised locally and centrally. Strong Chief Exec who reports strong Board leadership.	Interview highlights a good mix of partners and a strong institutional fabric across the LAs and strong links to the HE. Area has developed a greater appetite for collaboration since an earlier growth project. LEP has benefitted from this as opposed to created this	Below average staffing resource to the exec team of around 12 but appointing 10 new posts. BEIS reports a beg, borrow, steal approach in the LEP that pulls in local authority resources. Not clear whether other partners contribute and interview suggests under resourced for the job	Large and unwieldy governance structure that includes LEP board that is overseen by a supervisory (LA) board. There are then 3 pillar boards, and sub boards below. Review has been undertaken to address governance issues. It has strong ties to one LA but less clear how it embeds with other councils. Evolving CA is gathering momentum	Has a vision and set ambitious targets (the CA targets rest heavily on this LEPs performance) but the SEP is not very inspiring – doesn't take a systematic approach	Greater appetite for collaboration since the growth project but that was pushed along centrally. Natural travel to work geography so meaningful – but overlap with another LEP reported as problematic
1	Seniority and consistency in Chair	Good links between the LAs and strong	Established collaboration is used	Stable and consistent through the changes	Clear vision and a strong plan that ties into the	Strong history of partnership between

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
	<p>that pre-dates the LEP. Local business leader with good political links and reputation</p> <p>Chief Exec has significant experience of working locally on regeneration that pre dates LEP</p> <p>Strong and lean board with senior business leaders on key groups.</p>	<p>involvement of FE and HE and the VCS has been in place a decade ahead of the LEPs.</p> <p>LEP recognises that big business are engaged and active in the Board but that there is more to do on genuine business engagement including the SMEs and events take place to address this.</p>	<p>as the LEP exec and that has over 30 experienced staff so above average. LA fund this via annual contribution. Levers £3 for every £1 of LGF. Also attracted the second largest amount of growth deal funding per population</p>	<p>in local iteration (TEC RDA and now LEP)</p> <p>Separate company and so degree of autonomy that is valued by key staff. LEP has a lean and efficient structure and has reviewed assurance frameworks. Evolving CA is gathering momentum.</p>	<p>four LA and their planning authorities.</p> <p>Plan is logical and readable with a focus on transformational and enabling sectors and details on the targets and numbers. Clear prioritisation of performance mgt to keep the plans on track and refresh as needed.</p>	<p>the LAs from 2003 so a natural geography that offers scale by combining 4 LAs.</p> <p>Good links wider other LEPS across the region.</p> <p>Some challenges within the ecosystem around land quality and low skills have been recognised and prioritised.</p>
9	Has had two chairs so	Has a lean Board and	Team of 9 staff which	Have evolved and	Clear vision to grow	Had a bumpy start and

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
	<p>some continuity and local private sector experience but interviews suggest Chair lacks central political skills Chief Exec cites strong political leadership from the LA that is focused on the economy as a positive</p> <p>SEP - LEP exec team led by a chamber of commerce staff so business minded?</p>	<p>strives to do more on business engagement so has established a business board that offers an example of how to engage SMEs and also hosts an annual event to reach more businesses</p> <p>LEP has HE and FE on board and sub groups also but hard to gauge motivation</p>	<p>has evolved with the partnership and although still below average compared to other LEPs it is large given the geographical area they cover so well resourced and also been successful in securing private sector leverage (£30m) and match funding from LA and HE also</p>	<p>been revised – but they recognised that it needed to be firmed up but still quite unwieldy on structure</p>	<p>economy and jobs and sets out plan to achieve that. Interview revealed an aspirational outlook – ‘where do we want to be when we grow up’ attitude and looks at helpful comparative LEPs for guidance</p>	<p>was in the second wave of announcements, but seems to be working better now – resistant to joining with another LEP despite a history of collaboration. Single county LEP so limited scale but struggle to make a better case for a wider collaboration at the time.</p>

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
10	<p>Three changes in Chair of the LEP so less stability than some. Previous chairs considered suitable but temporary choices (evidence from the interviews) and although the current chair has brought steadiness – query whether it is too steady and public sector led.</p> <p>There has been consistent LEP exec leadership from the Chief Exec and within</p>	<p>Partnership mix appears more LA dominant and the current leader adopts a steady state approach that compounds LA culture. The Board has had big business names but query that they are not perhaps the right people. Attendance not great. Also how are they engaged and used/ tasked – less clear</p> <p>HE are on board but FE</p>	<p>Limited and below average staffing of around 8.</p> <p>Has been successful at leveraging other resources and estimates that from the LGF they will lever in excess of 6 times as much in support from sources. Also has above average ££ per person Growth Deal. Question that too LA dominated and short on capacity beyond</p>	<p>Seems complex and bureaucratic – and this is despite a restructure and recent changes. It has a joint committee of the LAs which again supports impression that it has a strong public sector leaning</p> <p>Has recently been reviewed and amended but still seems complex and unwieldy in structure and tied to the LA</p>	<p>Long term and ambitious vision but less realistic targets?</p> <p>Well-presented plans but unclear how partners were engaged in its development</p>	<p>Claims a solid history of partnership working and was one of the first 25 LEPs to be established but there is a LA tension present. LEP has a natural LA scale and a strong ecosystem with some strong businesses but tension now as LEP needs to collaborate with the CA</p>

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
	the exec team but again this compounds the LA dominance	are not nor VCS Have tried other methods (Champions) but recognise there is more to be done	that in interview			
6	County council is the accountable body and seems to lead the partnership and not the private sector. SEP doesn't mention the chair or who they are. LEP officer speaks highly of the Chair who is local and	Appear to be LA dominated and tensions exist between the districts and upper tier authorities. Increase in LA membership has diluted private sector buy in and securing partner buy is cited as a challenge	Team is limited – 6 people in total and largely LA secondments – some concerns that they are tied to the pay master. No mention of leverage in the SEP	Board is large 30+ – everyone wants a seat at the table, only meets twice a year. LEP has a smaller exec that had to be set up to address this, and then a series of thematic groups. Has an overlap whereby several districts are also in another LEP	Ambitious vision and plans and targets (50% increase growth) and aims to become a core city – unrealistic given massive skills gaps and challenges of the local ecosystem; concerns over the lack of resource raised at interview	Tensions are evident between the LAs and overlapping geography causes tensions

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
	<p>experienced – but 3rd chair of the LEP so lack of continuity</p> <p>LEP officer is not a strategic chief exec role as it is in other LEPS</p>			<p>which causes tension.</p> <p>No mention of assurance framework in SEP or during interview</p>		
7	<p>Started off badly from 2010/11 until 2014 with the arrival of new and strong leadership from the Chair who has been consistent since. Also the addition of a LEP Chief Exec appears to have strengthened</p>	<p>Hampered by a slow start and mistrust between the 3 authorities but now has better representation from business at the Board and through a series of boards has been highlighted as an</p>	<p>Until 2014 had very little in the way of staff and from 2014 this has improved but still a lean team of 6 staff which is below average. They are keen for greater resources. Talk of leverage from LA and</p>	<p>Needed improvement and so with the arrival of the Chief Exec in 2015 there has been a review and reinforcement of the governance arrangements and it now considers itself to have solid assurance</p>	<p>Unclear – the current SEP is poor on detail but is being refreshed</p>	<p>Took time to get going, not helped by a lack of funding and commitment from the LAs and so has only really started to have impact from 2014 onwards.</p>

LEP	Leadership	Partner Engagement	Resources	Structure and governance	Vision and strategy	Culture and Context
	operational leadership who references solid LA leadership	example of good practice by BEIS and also now have HE FE and VCS all engaged	HE but seems to be in terms of secondments and not finances	framework in place. Structurally still very tied to the three local authority boundaries		

Each of the LEPs were allocated an overall score between 0 and 3 according to the presence or mention of each of the six factors (and conversely the absence of inhibitors) across each of the three sources of data analysed as follows:

- Evidence in the desk-based review of the SEP that this factor has a greater enabling than inhibiting influence: 1 = Yes 0= No
- Evidence in LEP Chief Executive interview that this factor has a greater enabling than inhibiting influence: 1 = Yes 0= No
- Evidence from BEIS interviews that this factor has a greater enabling than inhibiting influence: 1 = Yes 0 = No

Table 2 presents the scores allocated to each LEP and their ranking.

Table 2 Relative Partnership Strength Gradings

LEP	Leadership			Partner Engagement			Structure and Governance			Vision and strategy			Resources			Culture and context			Total	Rank (10 high, 1 low)
	SEP	LEP	BEIS	SEP	LEP	BEIS	SEP	LEP	BEIS	SEP	LEP	BEIS	SEP	LEP	BEIS	SEP	LEP	BEIS		
LEP 4	1	1	NA	1	1	NA	1	1	NA	1	1	NA	1	1	NA	0	1	NA	11/12*	9
LEP 5	1	0	1	1	0	1	0	1	0	1	1	0	1	1	1	0	1	1	12/18	8
LEP 8	1	1	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	5/18	2
LEP 2	1	1	1	0	1	1	0	1	1	1	1	0	0	1	0	0	1	1	12/18	8
LEP 3	1	1	1	1	1	0	1	0	0	1	1	0	1	0	0	0	1	1	11/18	6
LEP1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18/18	10
LEP 9	0	1	0	0	1	1	1	1	0	1	1	0	0	1	1	0	0	0	9/18	4
LEP 10	1	0	0	1	0	0	1	0	1	1	1	0	1	1	0	0	1	1	10/18	5
LEP 6	0	1	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	3/18	1

LEP 7	1	1	0	0	1	1	0	1	0	1	0	0	0	1	0	0	1	0	8/18	3
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Source: Author's own

*The BEIS interviewee was unable to comment on LEP4 and so the score has been adjusted accordingly

Assessment of Partnership Growth Performance

The second measurement looked at LEP outputs as an assessment of local growth using a range of quantitative measures. Although triangulation of the qualitative data increased the validity of the assessment, the partnership strength grading remained open to interpretation because the assessment was subjective and based on the researcher's interpretation of the documentation and interview, and by the interviewees comments during the interview. It was helpful for the grading of outputs to draw on an objective measure to balance the partnership strength grading. Following the full analysis of the 38 Strategic Economic Plans the 5 most common performance indicators were identified, namely, job creation, additional GVA, new homes, number of businesses and private sector investment. Data is collated on each of these measures via NOMIS except for the measure relating to private sector investment. In the absence of reliable comparative data this measure was discounted and substituted with measures relating to skills given that 18 of the total 38 LEPs and 4 of the 10 Midlands LEPs had included at least one measurement of skills improvement. Each of the LEPs in the Midlands were compared on their performance in the following areas between 2010 (when the LEPs were created) and the most recent year for which data was available at the time of the assessment:

- Percentage increase in total number of employee jobs between 2010-2015
- Percentage Increase in GVA per head between 2010 and 2014 (2015 figures unavailable)
- Total number of new dwellings completed between 2012 and 2016 as a percentage of the total population
- Percentage increase in the total number enterprises between 2010 and 2016
- Increase in skills: measured by the increase in the percentage of working population qualified to NVQ4+ and the reduction in the percentage of working population with no qualification between 2010 and 2015

Based on the analysis of data each LEP was given a grading from 1 (low) to 10 (high) for relative performance against each of the key growth indicators which were then totalled to give a final score recorded in Table 3. A full analysis of the data is presented at the end of this appendix. The largest score (n=46) equates to strongest growth performance and the lowest (n=12) to the weakest.

Table 3 LEP Area Growth Performance Gradings

Growth	GVA	Skills		Jobs created	Business creation	New Homes	Total
		NVQ4 +	No qual				
LEP 1	1	2	1	1	5	2	12
LEP 6	3	1	2	7	4	3	20
LEP 2	2	3	7	2	3	5	22
LEP 8	5	5	9	5	6	4	34
LEP 7	7	7	8	3	2	7	34
LEP 9	9	10	4	4	1	8	36
LEP 3	4	9	5	10	8	1	37
LEP 4	6	6	3	3	10	10	38
LEP 10	10	8	6	9	7	6	46
LEP 5	8	4	10	6	9	9	46

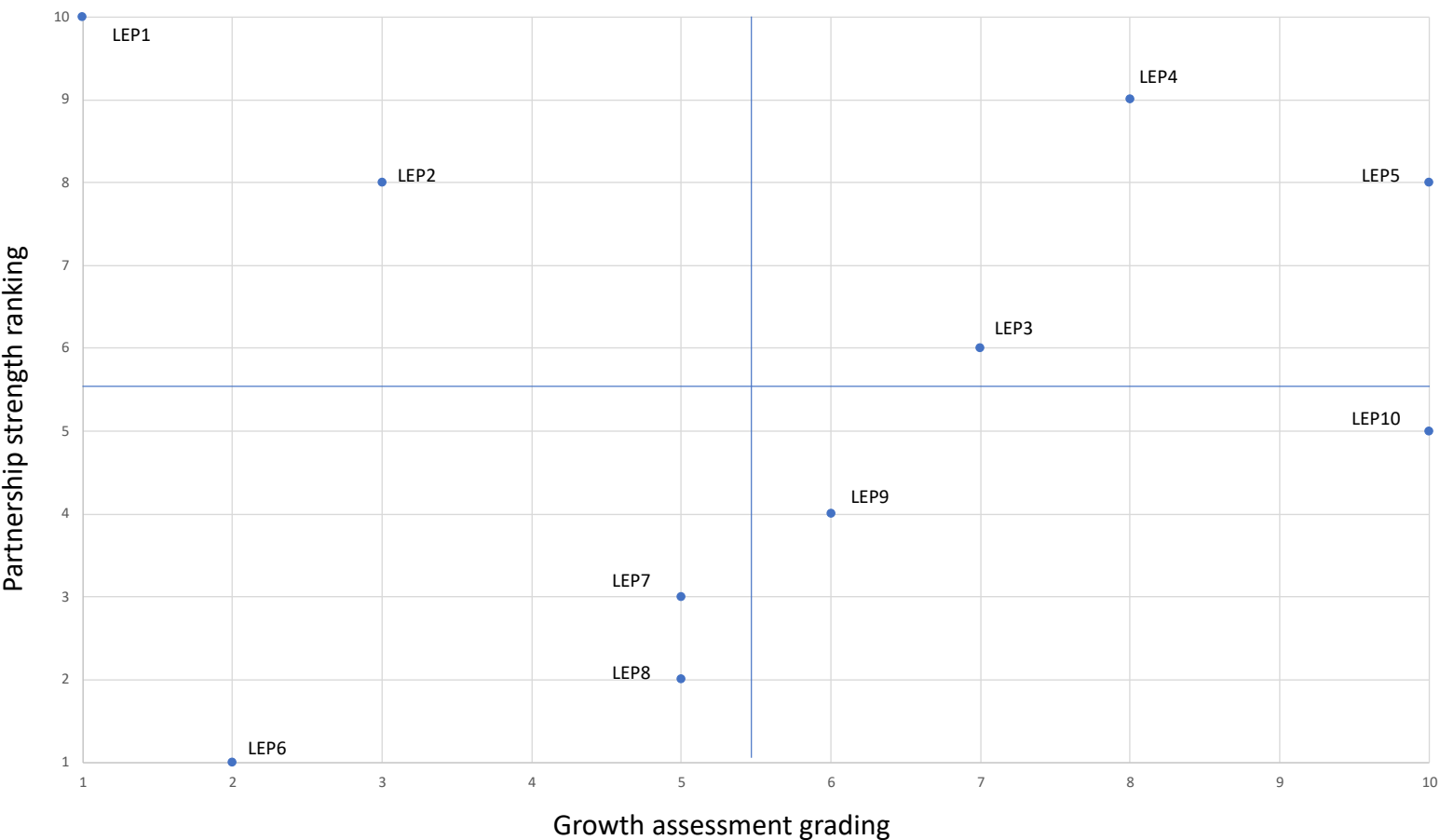
Using the two scores (relative partnership strength and partnership growth outputs) it was possible to rank the LEPs by their growth performance and partnership relative strength grading to give a two-part score whereby 1 equates to the best performing and 10 to the weakest presented in Table 4.

Table 4 Partnership Growth and Strength Gradings

LEP	Growth Rank	Partnership Strength Rank
LEP 5	10	8
LEP 10	10	5
LEP 4	8	9
LEP 9	6	4
LEP 3	7	6
LEP 8	5	2
LEP 7	5	3
LEP 2	3	8
LEP 6	2	1
LEP 1	1	10

When plotted, the gradings could then be used to observe different typologies of economic performance as pictured in Figure 1.

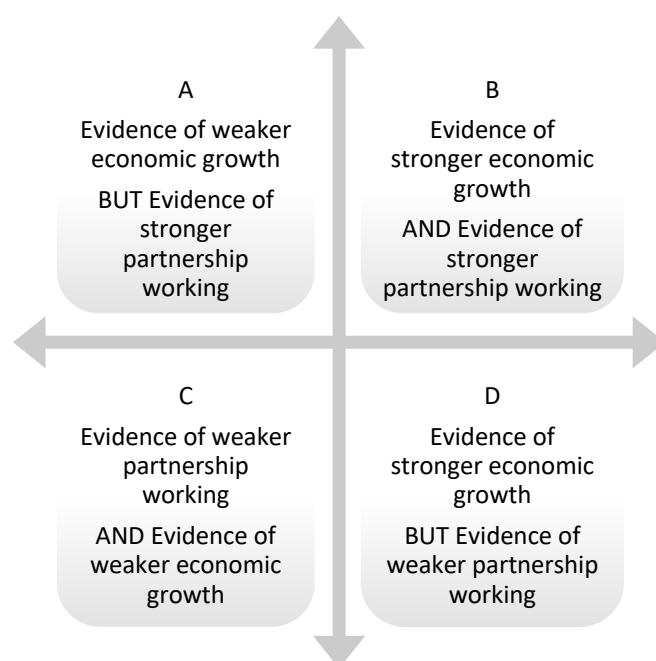
Figure 1 Partnership Strength by Growth Outputs



Source: Author’s Own

To assist the selection of case studies, the LEPs were categorised into four typologies expressed in Figure 2; those that conformed to the proposition that a stronger partnership generated improved growth outputs (B and C), and those that deviated from the proposition either because their partnership strength did not correspond to a strong growth output (A), or because they achieved a strong growth output in spite of weaknesses in their partnership as identified within the conceptual model (D).

Figure 2 LEP Typologies



Selection of the Cases

To continue the development of the conceptual model of place-based partnership, it was necessary to select four case studies for exploration. In the selection of case studies, it was beneficial to include both conformist and deviant partnerships and the quadrant was used to select four LEPs—one for each of the quadrants to provide balance, variety and an opportunity to learn (Stake 1995:6).

The options were as follows:

- Conformist 1: Stronger partnership and higher growth outcomes – LEP 5, LEP 4, LEP 3
- Conformist 2: Weaker partnership and lower growth outcomes – LEP 6, LEP 8, LEP 7

- Deviant 1: Weaker partnerships but higher growth outcomes – LEP 10, LEP 9
- Deviant 2: Stronger partnership but lower growth outcomes – LEP 1, LEP 2

Consideration was also given to issues of feasibility and pragmatism in that cases needed to be accessible, and researchable from a functional perspective and so distance, cost, accessibility and openness of key participants were all considered (Stake 1995, Baxter and Jack 2008). The case studies also needed to include a diversity of scale and size: e.g. evidence of natural geography, rural /urban and a diversity of the LEP typologies, e.g. rural, core cities. The final selection is summarised in Table 5

Table 0 Selection of Case Studies

Typology	LEP	Consideration	Selection
Conformist 1: Stronger partnership and higher growth outcomes	LEP 4	Scored highly on both gradings and keen to be involved	LEP 4
	LEP 5	Involved in the expert panel and at the time of the research the LEP was in the process of negotiating a devolution deal which would have made it difficult to access and the key contact left at this point also	
	LEP 3	Scored more towards the mid-range than the other two	
Conformist 2: Weaker partnership and lower growth outcomes	LEP 8	Scored low on both gradings but also interesting for the fact that it was struggling with a difficult 'unnatural' geography.	LEP 8
	LEP 7	With scores of 5 and 3 for growth and partnership LEP 8 provides a stronger case study to select	

	LEP 6	Although the weakest in terms of growth and partnership they were hard to engage in the first-round of interviews and so concerns regarding their likelihood to engage in the research	
Deviant 1: Weaker partnerships but higher growth outcomes	LEP 10	Scores highly on growth but below mid-point on partnership so makes for a strong case study and keen to participate	LEP 10
	LEP 9	Scored more towards the mid-range on both gradings to LEP 10 makes a stronger case	
Deviant 2: Stronger partnership but lower growth outcomes	LEP 1	Scores lowest on growth on highest on partnership so strongest case in this quadrant Keen to participate	LEP 1
	LEP 2	Quite hard to get to (remote) but keen to engage LEP 1 makes the stronger case	

Supplementary Comparative Analysis of the LEP Performance Data

Skills

Data was collected on the percentage of the working population that was qualified to NVQ level 4 or above and the data for 2010 (when LEP were created) and 2015 (once LEPs were established) compared. Figure A shows the changes between the two-time points for each LEP and Figure B the percentage increases. LEPs 9, 3 and 10 saw the largest increase and LEPs 6, 1 and 2 the smallest.

Figure A: Change in % working population qualified to NVQ level 4+

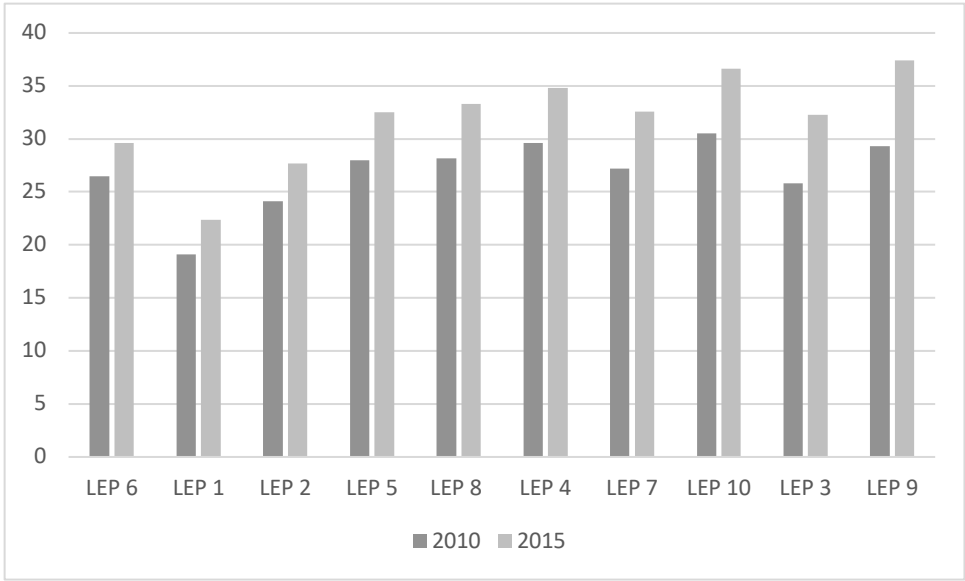
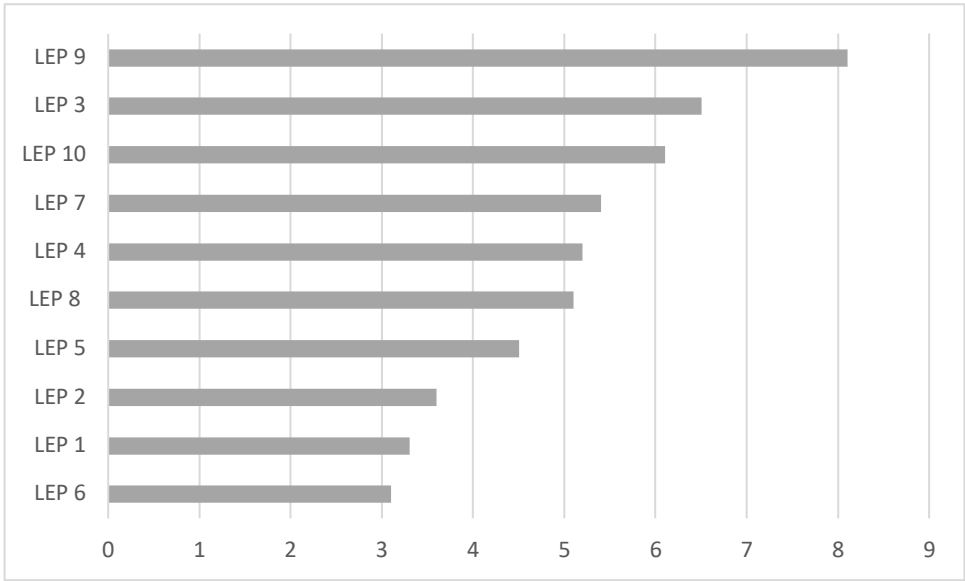


Figure B: Increase in the % working population qualified to NVQ level 4+ between 2010 and 2015



Data was collected on the percentage of the working population with no qualifications and the data for 2010 when LEPs were created and 2015 once LEPs were established again compared. Figure C and D shows the changes between the two time-points for each LEP and percentage increase. LEPs 5, 8 and 7 saw the largest decreases in people with no qualifications and LPEs 4, 6 and the 1 saw smallest.

Figure C: Change in % working population with no qualifications

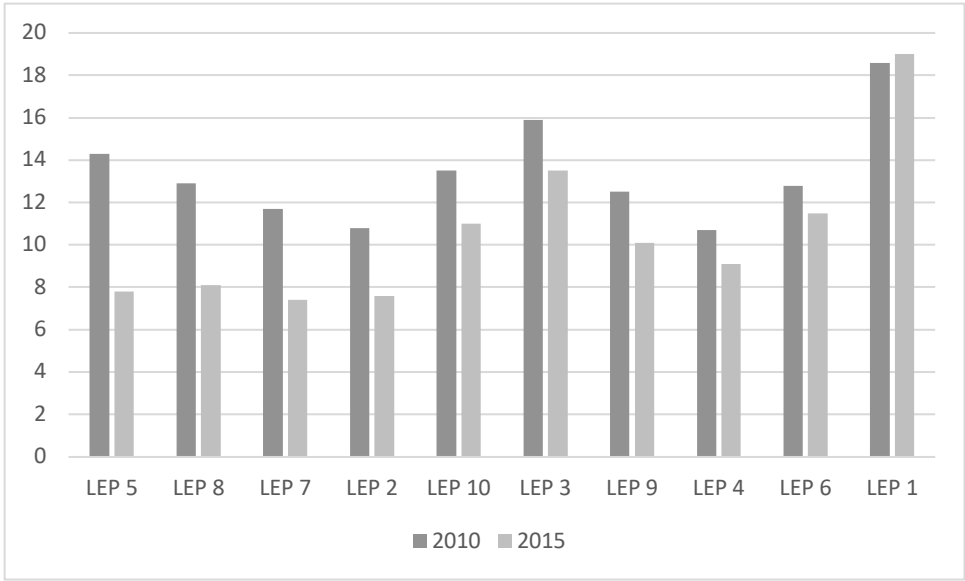
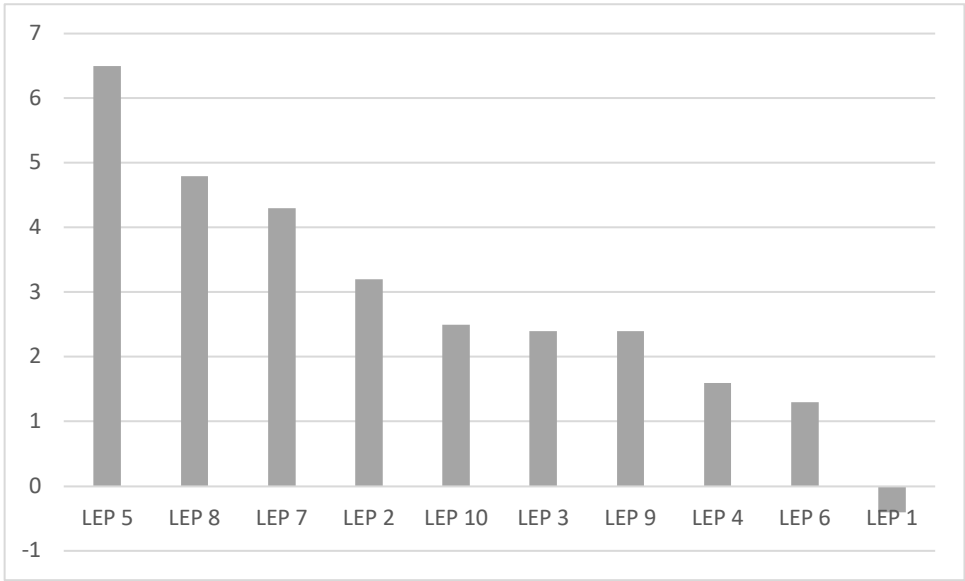


Figure D: Reduction in the % of working population with no qualifications between 2010 and 2015



Job Growth

To measure the increase in jobs, data was collected from NOMIS on the total number of employee jobs for 2010 and 2015 and the data plotted for each LEP (Figure E).

Figure E: Number of Total Employee Jobs by LEP

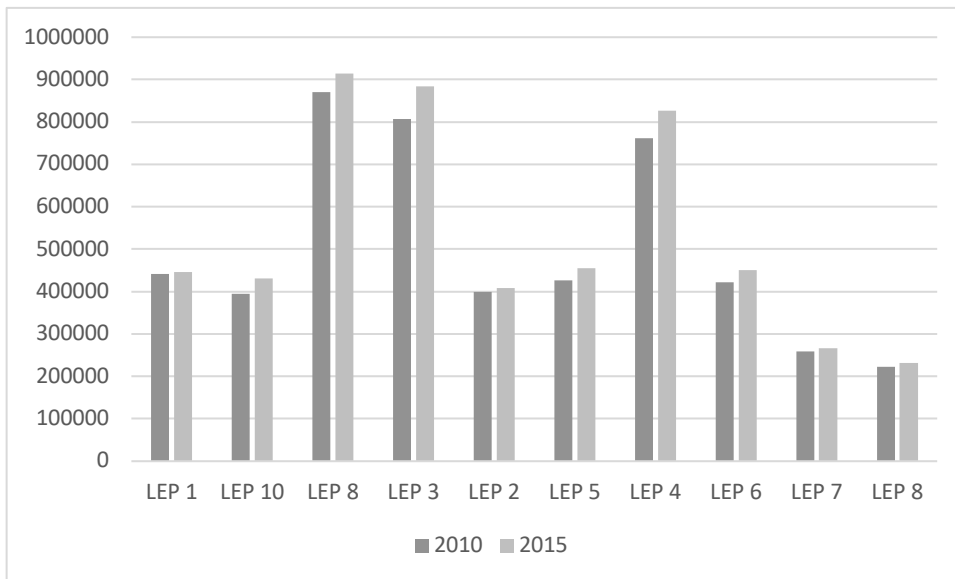
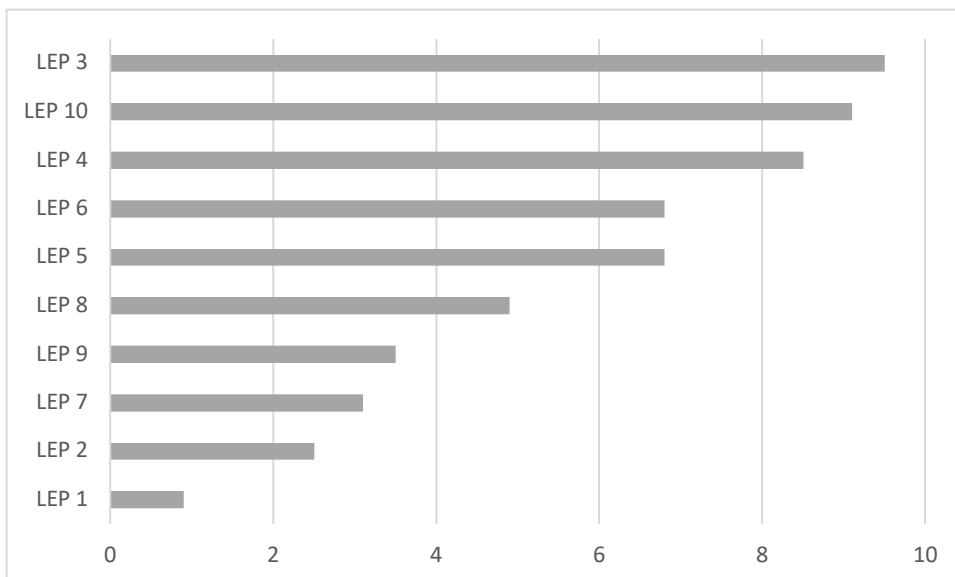


Figure F shows the percentage increase in total employee jobs between the two time points for each LEP. LEPs 3, 10 and 4 saw the largest percentage increase and LEP 1, 2, and 7 saw the smallest.

Figure F: % increase in the number of total employee jobs between 2010 to 2015



Business Count Growth

To measure the increase in the number of businesses, data was collected from NOMIS on the total enterprise count for 2010 and 2016 and the data plotted for each LEP (Figure G). Figure H shows

the percentage increase in the total number of enterprises between the two time points for each LEP. LEP 4, 5 and 3 saw the largest percentage increase and LEPs 9, 7 and 2 saw the smallest.

Figure G: Total Number of Enterprises 2010 and 2016

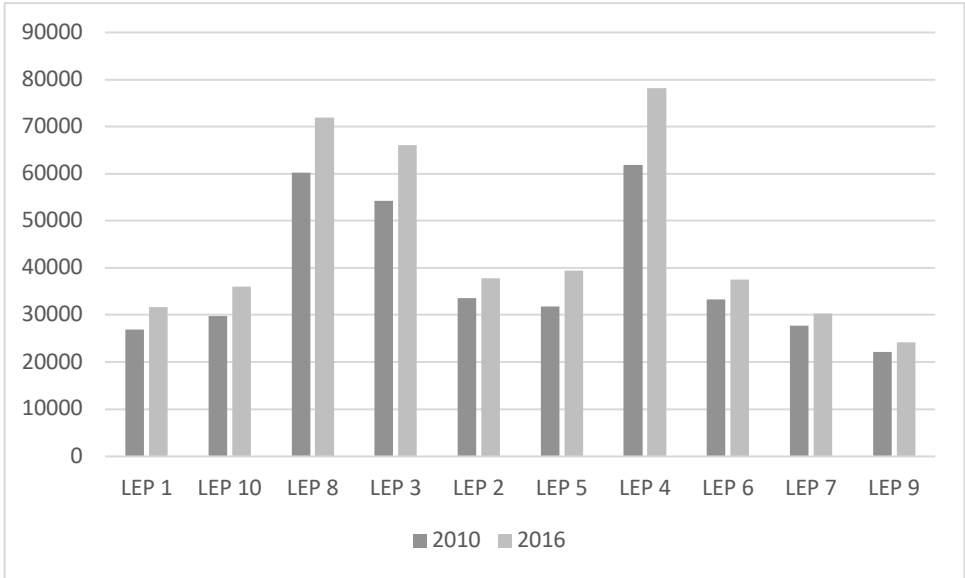
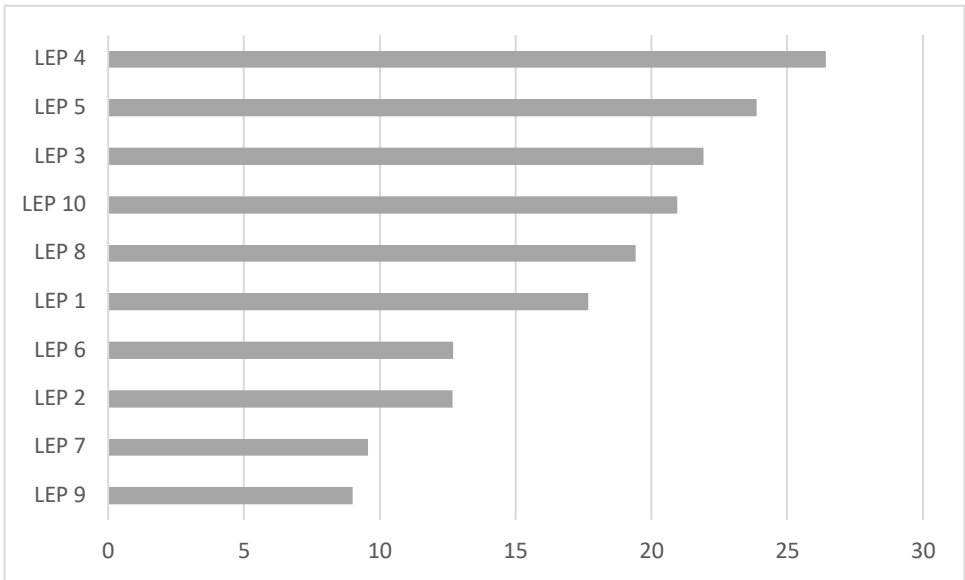


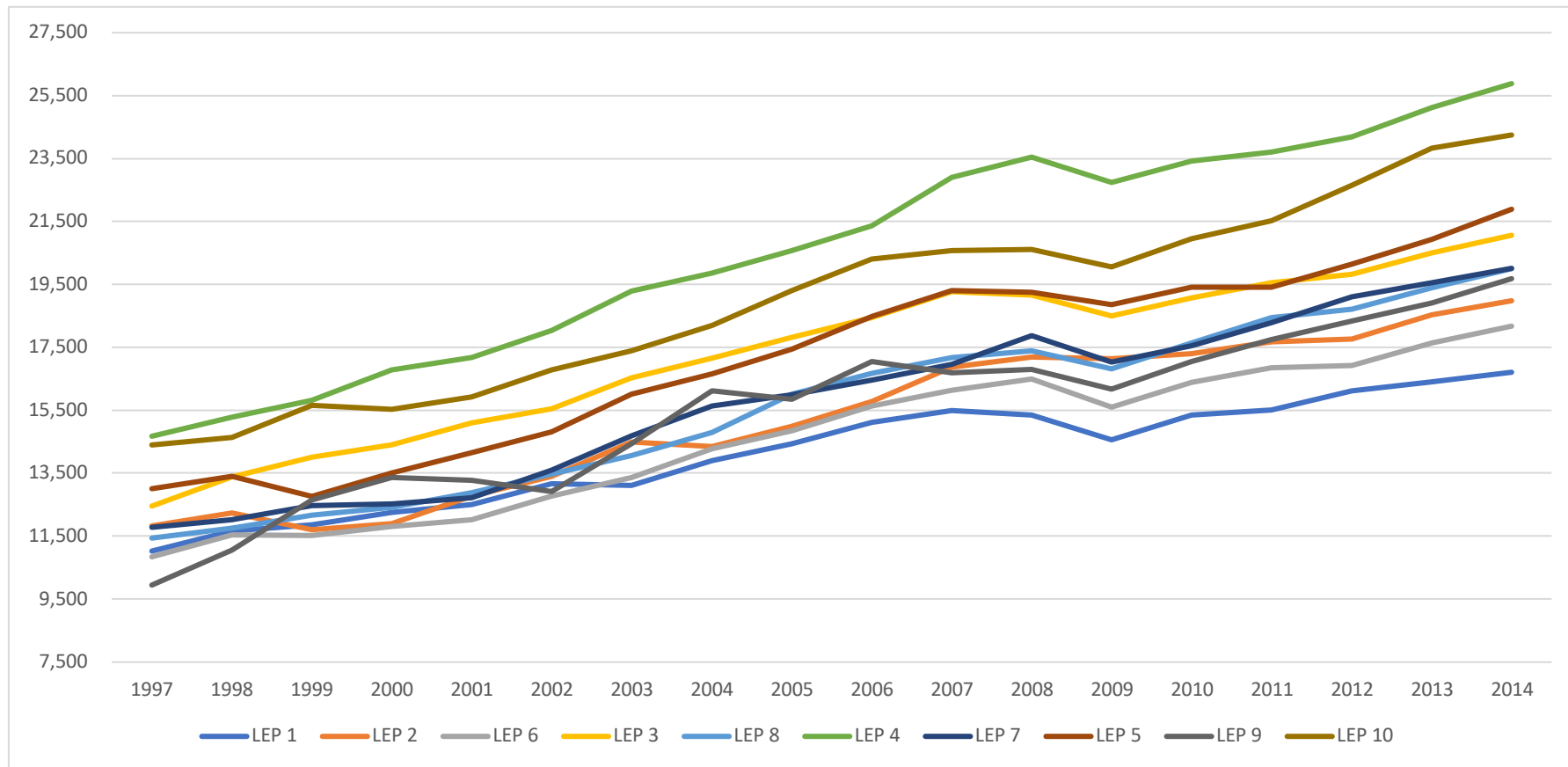
Figure H: % increase in total number of enterprises 2010-2016



Growth in Gross Value Added

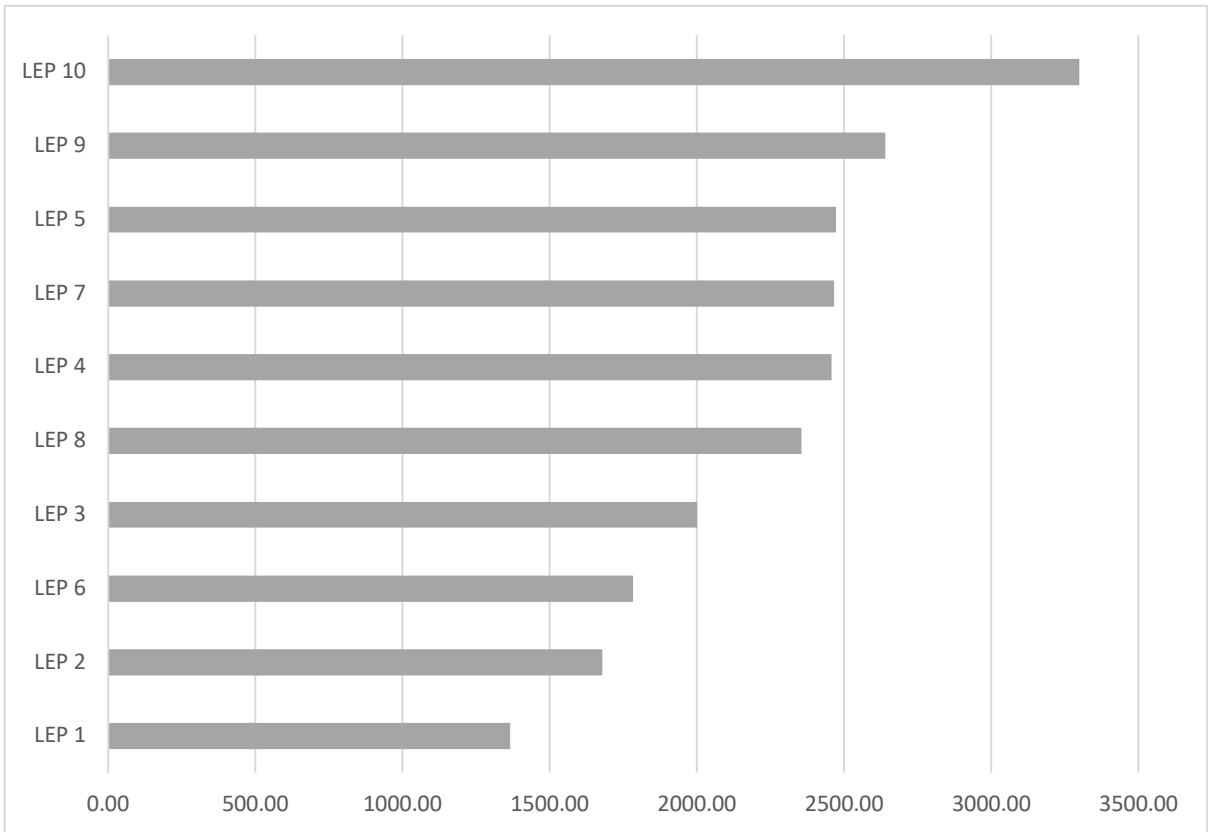
To measure the growth in GVA, data was collected from NOMIS on the change in GVA per head for each LEP area between 1997 and 2014 (the latest date for which the figures were available) and the trend plotted (Figure J).

Figure J: Change in GVA per head by LEP area between 1997 and 2014



To provide a more meaningful comparison, Figure K shows the overall percentage increase in GVA per head from 2010 to 2014. LEPs 10, 9 and 5 saw the largest percentage increase and LEPs 1, 2 and 6 saw the smallest.

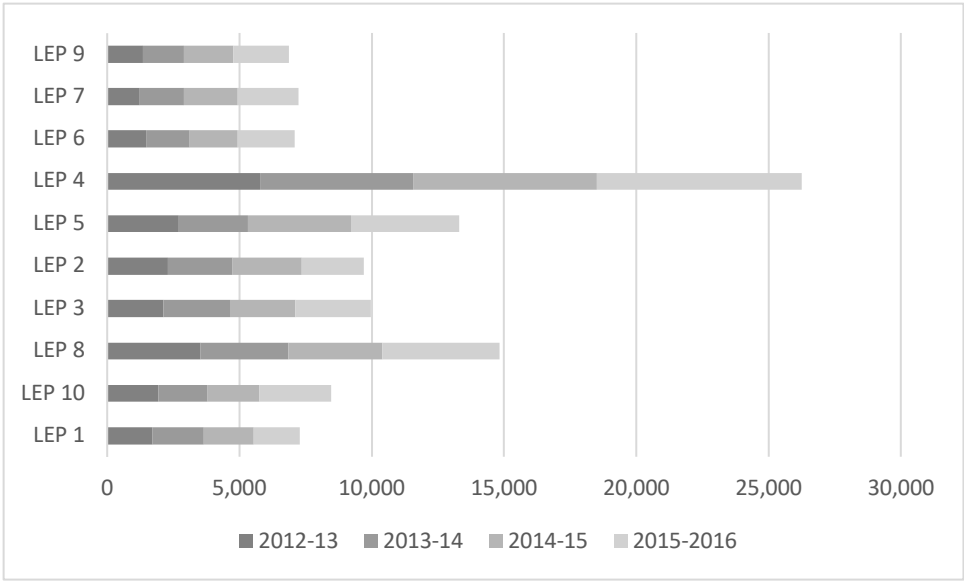
Figure K: Overall % increase in GVA per head from 2010 to 2014



Growth in the Number of New Homes

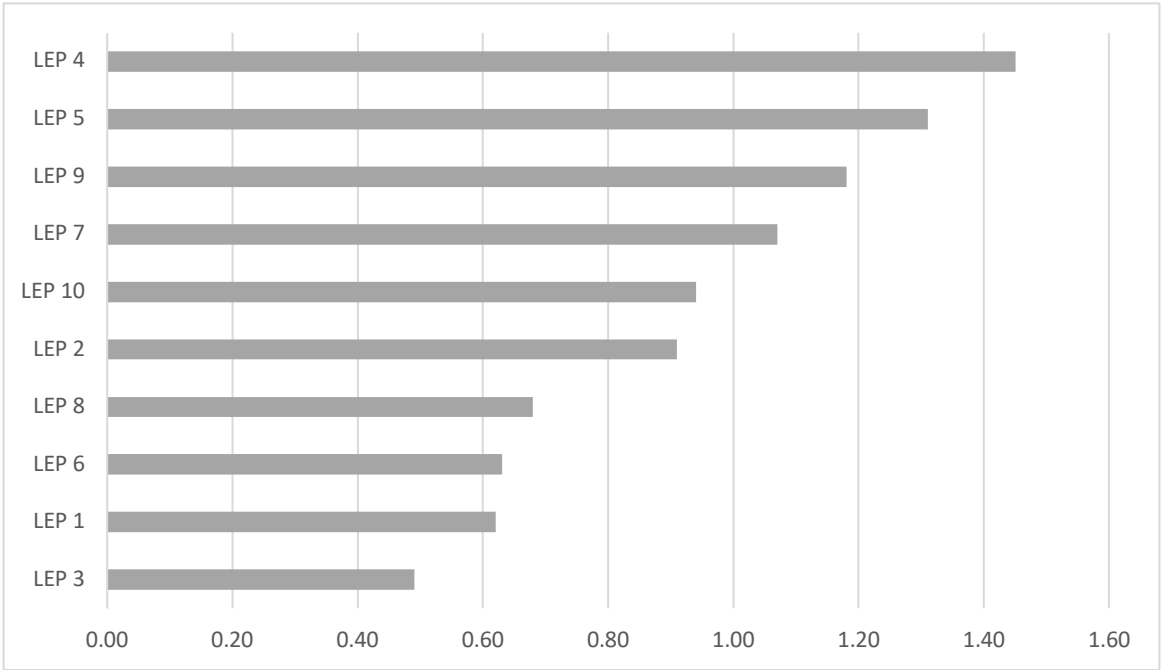
To measure the increase in new homes, data was collected from NOMIS on the total number of new dwellings completed for 2012 and 2016 and the data plotted for each LEP (Figure L).

Figure L: New Dwellings Completed by LEP Area from 2012 to 2016



To provide a comparison Figure M shows the total number of new dwellings completed as a percentage of the total population. LEPs 4, 5 and 9 (saw the greater number built and LEPs 6, 1 and 3 the least.

Figure M: Total number of new properties completed 2012-2016 as a % of the total population



Appendix G: Copy of the report on early findings

Local Enterprise Partnerships: Understanding the Drivers of Economic Growth A Report on Early Findings

Purpose of the Report

In 2010, the Coalition Government laid out their plan for economic growth by instigating the closure of Regional Development Agencies (RDAs) and introducing Local Enterprise Partnerships (LEPs). This marked a shift from centralised government to local authorities and businesses and LEPs were established with little guidance and as such have developed differently with considerable variation amongst them. This research explores the decentralisation of economic policy looking at how LEPs operate as the institution between central government and the local economy with the aim of drawing good practice. The focus of the study is on 10 LEPs in the Midlands with the aim of sharing good practice.

The report draws on empirical data to propose a series of variables that drive LEP progress. It begins with a short executive summary, with section 1 through to 3 covering the key points of the substantive literature review and the research objectives and methodology. The early findings are presented in Section 4 and Section 5 summarises some of the key discussion points that will form the basis of a final round of interviews with LEP partners to consider whether it is feasible, or indeed desirable, to develop a single model to support LEP development.

Your participation and support of the research to date has been invaluable and I would welcome your views on the early findings at this stage to guide and validate the development of the model. The following points are of interest:

- Do you agree that the criteria (summarised in Tables 2: pages 22-24) are the driving factors for LEP collaboration?
- Is there anything missing from the criteria?
- Are some of the criteria of greater importance than others in your view?
- Have the findings been of interest to you? Has it increased your knowledge of LEPs and partnership collaboration?

In addition to the academic outputs the research is intended to be of practical benefit to LEPs and wider policy stakeholders.

- How can the research findings be presented to be of greatest value to you?
- Individual case study reports will be made available to each case study LEP: what format should these take?
- How can the research findings be presented to be of greatest value to policy makers in the broader arena of economic development/ decentralisation and partnership collaboration

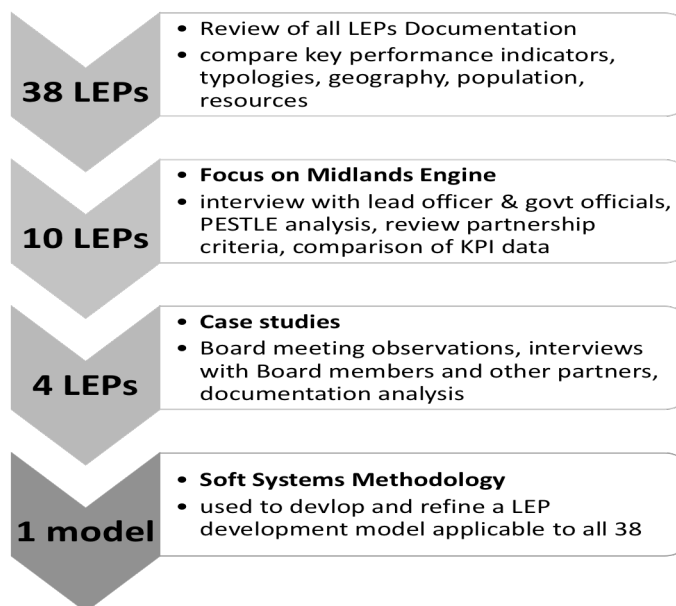
Executive Summary

Introduction

In 2010, the Coalition government abolished the Regional Development Agencies (RDAs) and introduced Local Enterprise Partnerships (LEPs). Heralded by government as part of their wider devolution plans, power was transferred to the newly formed private public partnerships to secure growth for all. This research explores the decentralisation of economic policy looking at how LEPs operate as the institution between central government and the local economy, with the aim of drawing good practice. Drawing on existing literature and theoretical frameworks pertinent to economic development, entrepreneurial and innovation ecosystems and partnership working it seeks to understand the factors that are common to those LEPs that have an enabling influence. From here the research will develop, explore and refine a LEP Conceptual Framework suitable for use by all LEPs to improve their delivery.

Methodology

The study adopts a Soft System Methodology (SSM) to rigorously and systematically guide the data collection that includes the use of multiple data sources and methods, summarised in the figure below.



Findings and Discussion

The commonality in the literature on ecosystems and partnerships pointed to a series of criteria that formed the basis of a LEP development model (first column of the table below). Subsequent rounds of interviews and observations have sought to understand these criteria in more detail. All interviewees agreed that the criteria in the table were important core factors in LEP success but early analysis highlighted nuances (second and third columns) that will be developed further to provide guidance for LEPs, and enhance understanding of how these factors inhibit and drive partnership progress, summarised in the table below.

Developing LEP Partnership Effectiveness Framework

Criteria	Draft Model	Emerging Findings
Criteria 1: Leadership	Seniority of the chair and LEP Director/ Chief Officer Continuity and competency in chairing ability and Chief Officer experience Local commitment, visibility, profile of Chair and Chief Officer	Selecting a Chair that has the right skills and qualities for the various stages of partnership development is as important of having some continuity to the Chair. Chairs need to have strong skills in managing complex agendas and meetings, but with competent LEP Directors or Chief Executives in post the focus should be on their leadership capabilities, notably the ability to develop and deliver a vision and secure genuine buy in from partners.
Criteria 2: Partner Engagement and Trust	Evidence of partnership density whereby the mix of partner complimentary, multi sectoral LEP provides a variety of events to appeal to different groups and	Trust needs to be built between partners where it does not already exist, and this takes time. Partners need an appreciation of each other's strengths and limitations, but should be open to learning from each other. Partners will need support to grasp the breadth

Criteria	Draft Model	Emerging Findings
	<p>availability</p> <p>Evidence of the motivation and willingness of partners is apparent</p>	<p>of activity and business the LEPs are engaged in.</p> <p>Attention should be paid to selecting Board members based the skills, sector and knowledge requirements but also for the personal qualities they bring and new Board members should fill gaps that are missing.</p> <p>Effort must be given to ensure the ethnic and gender diversity of the Board reflects the local area.</p> <p>Partner motivation should be to achieve an outcome that is greater than the sum of the parts, that transcends the individual priorities of partners.</p> <p>Working to create the strongest shared outcomes across the area is preferable to ensuring you secure a share of activity for your own patch.</p>
Criteria 3: Skills and resources	<p>Synergy – evidence of pooling and co-ordination of partner resources</p> <p>Leverage – evidence of balance between public and private money, skills and capacity</p> <p>People – partners and staff have the appropriate level</p>	<p>Recognise the value of in kind contribution from the private sector in changing public sector efficiency.</p> <p>Short term funding is not conducive to long term planning or securing long term human/ financial resources.</p>

Criteria	Draft Model	Emerging Findings
	of capacity and skills	
Criteria 4: Structure and governance	<p>Clarity of structure and governance arrangements is apparent and reviewed</p> <p>Evidence of embeddedness into the local governance landscape</p> <p>Lean not unwieldy structures</p>	<p>Keep governance arrangements fit for purpose and avoid over complicated structures and frameworks.</p> <p>Regular review of arrangements following the national guidance on Assurance Frameworks is essential, but need to ensure the partnership remains fleet of foot and agile.</p>
Criteria 5: Strategic vision and strategy	<p>LEP has a clear vision and that purpose is shared</p> <p>The SEP provides a systematic and workable economic plan</p> <p>Targets, resources and performance review have been agreed and are clear within the SEP or business plans</p>	<p>The Chair and Executive Director has a strong influence and responsibility for building a shared vision.</p> <p>Whilst they lead and inspire they should avoid being top down in approach. Vision building and strategic development should be a shared process to ensure partner buy in.</p> <p>Performance information should be targeted and clear – not information for information's sake.</p>
Criteria 6: History of partnership and local context	<p>Favourable local context and institutional network for the LEP to build upon</p> <p>Evidence of natural economic geography and scale</p>	<p>The sub criteria are all evident in the research and so the churn in sub-national partnerships, particularly in areas that have to form new partnerships is not conducive to the end goal of achieving improved economic growth and development.</p>

Criteria	Draft Model	Emerging Findings
	History of positive collaboration and trust between partners	

A final model can then be presented to assist LEPs at a time when opportunities for the sharing of practice remain limited. To guide the development of the final model your feedback is welcomed on this report and the study more broadly. The discussion points are provided in Section 5 (page 22).

Introduction

In 2010, the Coalition government abolished the Regional Development Agencies (RDAs) and introduced Local Enterprise Partnerships (LEPs). Heralded by government as part of their wider devolution plans, power was transferred to the newly formed private public partnerships to secure growth for all (Bentley et al. 2010, Shaw and Robinson 2012, Pugalys and Bentley 2013a, 2013b). The UK has long struggled to resolve the inequality in place based economics and fill the ‘missing space’ between national and local governance (Hildreth and Bailey 2013, 2014). This paper draws on empirical research with a selection of LEPs to consider whether a collaborative local partnership approach that draws on a range of actors from both the public and private sector supports local growth.

The report draws on empirical data to propose a series of variables that drive LEP progress. Section 2 summarises the key points of the substantive literature review that was undertaken at the start of the study to place the research in context. Section 3 presents the research objectives and methodology, and Section 4 the early findings. Section 5 summarises some of the key discussion points that will form the basis of a final round of interviews with LEP partners to consider whether it is feasible, or indeed desirable, to develop a single model to support LEP development.

Key Concepts from the Literature

The review of literature highlights an overlap between three key concepts: economic growth, entrepreneurial ecosystems and a partnership approach to governance. In the pursuit of economic growth Britain has historically adopted a space neutral and centralised approach to policy making (Hildreth and Bailey 2013), but the influence of global shift has brought the importance of local geographical, historical and socio cultural influences into sharper focus and economic policy has accordingly taken greater account of place (Dicken 2003, 2011, Barca et al. 2012). However, despite a host of attempts to create sub-national forms of governance, there remains a tension in UK policy making between the two schools of thought: institutional systems that argue for space neutral policy making that are centrally driven, and place based policy making that draw on local skills, resources and culture (Barca 2009, Barca et al. 2012, Hildreth and Bailey 2013, 2014, Hildreth 2011). The LEPs are one of the latest in a line of artificial constructs to economic geography that remain relatively new institutions but in recognising the embeddedness of local economic influences, their creation in 2010 by the Coalition government placed greater value on local networks and the institutional context in shaping micro-economic behaviour (Farole et al. 2011).

LEPs are intended as localised systems of collaboration to drive growth and as such have their roots in the work of Porter (1990) and Moore (1996) and the wider literature on economic ecosystems that includes clusters, innovation and entrepreneurial networks. This body of literature highlights several factors that are present in healthy ecosystems that include the need for a variety of actors to collaborate, effective local (and national) institutions and a favourable network and supply of skills, knowledge and support (Fuerlinger et al. 2015, Clarysse et al. 2014, Feldman et al. 2005, Feldman 2014, Mason and Brown 2014).

Given the need for collaboration within the ecosystem, the wider literature on partnership working as a form of governance is of value to this study. Growing in popularity in the 1990s partnership working is now an established form of governance for economic growth and the literature offers a steer as to the drivers and inhibitors of partnership effectiveness that reveals commonality across a range of agendas not just economic development (Mohr and Spekman 1994, McQuaid 2009, Holman 2013). Factors highlighted across a range of studies include:

- Strong leadership (Carley et al. 2000, McQuaid 2009, Pike et al. 2015, Pugalís and Bentley 2013c, Hildreth 2011, Hildreth and Bailey 2013, Bentley and Pugalís 2014, Tomaney 2014)
- Effective group interaction with time spent on engaging and nurturing partners (Carley et al. 2000, McQuaid 2009, Pugalís and Townsend 2013)
- Access to sufficient resource and skill (Carley et al. 2000, Bentley et al. 2010, Pike et al. 2015)
- Strong governance arrangements (Pike et al. 2015)
- Clarity of vision and clear strategic focus (Carley et al. 2000, McQuaid 2009, Pike et al. 2013, 2015)
- Favourable history and culture of partnership (Carley et al. 2000)

The factors for successful ecosystems and partnerships are of considerable interest to this study. Whilst recognising that each locality is unique, they offer a lens through which individual LEPs can be observed and by applying these factors to the LEPs it is possible to increase our understanding of the make-up effective Local Enterprise Partnerships.

As a partnership that draws together a range of public and private sector actors across an area of natural economic geography, the LEP should play a key role in the development and fostering of the entrepreneurial ecosystem with resulting economic growth. Having been established with little

guidance, LEPs have adopted different structures, priorities and processes of working (Bentley et al. 2010, Pike et al. 2013, Shutt et al. 2012). Their locally determined nature and limited national co-ordination means that there are few opportunities for shared practice that could enable LEPs to learn from each other. A House of Commons' Business Innovation and Skills Select Committee and the Heseltine Review (Heseltine 2012) have questioned this, and called for greater commonality and clarity in the way LEPs are evaluated to enable greater accountability and scrutiny, given the use of significant public resources by the LEPs. Published research into the effectiveness of LEPs remains limited and much has been focussed on the time when LEPs were still in their infancy. The sands have shifted since the Heseltine Review with the developments around Combined Authorities and sub-national super partnerships like the Northern Power House and Midlands Engine which has prompted calls for further research in this area has been encouraged (Bentley and Pugalís 2014, Hildreth and Bailey 2014, Peck et al. 2013).

Research Objectives and Methodology

The philosophy of the government rhetoric was that LEPs should achieve a closer alignment between the geography of decision-making (governance) and the geography of economic flows (functional economic space). As Figure 1 displays, by pulling together a range of partners within their own geographic ecosystems effective collaboration should in turn result in stronger growth (Pugalís and Townsend 2013).

This study draws on the existing literature and theoretical frameworks pertinent to economic development, entrepreneurial and innovation ecosystems and partnership working referenced in section 2, to understand the factors that are common to those LEPs that have an enabling influence to develop, explore and refine a LEP Conceptual Framework suitable for use by all LEPs to improve their delivery.

Figure 1: Theoretical and conceptual framework



There are three key research objectives:

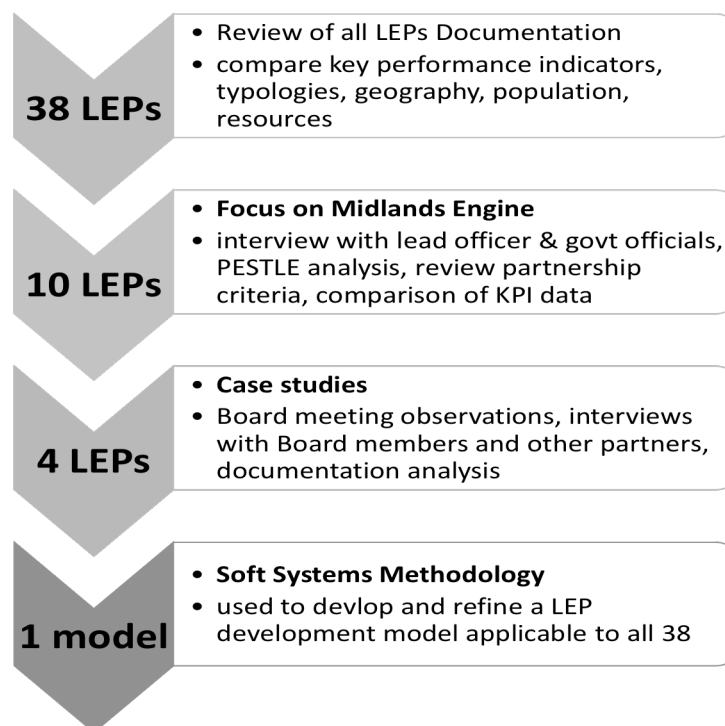
- To determine the key components of a framework for partnership effectiveness
- To assess LEPs against this model to explore whether an effective partnership corresponds to a stronger ecosystem with resulting economic growth
- To consider whether existing and established partnership/ ecosystem frameworks can assist the ongoing development of LEPs

The empirical research adopted a Soft System Methodology (SSM) to rigorously and systematically guide the data collection that included the use of multiple data sources. Developed at the University of Lancaster in the late 1960s (Checkland and Scholes 1990) SSM is now widely used as a learning and development tool and offers an established and robust methodology to guide thinking about, and intervention in complex problems. SSM accepts that reality is perceived differently by different people and can accommodate different worldviews in the pursuit of solutions to the problems (Checkland 1999, Checkland and Poulter 2006, Easton 2010). As such it offered a good fit for a study that needed to capture the views of multiple partners across numerous geographical settings to unpick and understand the factors that drive progress and model these factors into a framework to aid LEP development.

Consistent with related studies (Geddes et al. 2007, Fuerlinger et al. 2015, Huggins and Williams 2011, Neely et al. 1997, Bourne et al. 2010, Hemphill et al. 2006), quantitative data was initially used to build a profile of all 38 LEPs. The websites of all 38 were reviewed and copies of key

documents gathered including the Strategic Economic Plans (for all LEPS this was published in March 2014), Assurance Frameworks, business plans and other relevant reports. A range of data in the public domain was accessed via NOMIS to explore each LEP in relation to a broad number of metrics including population (resident and working), geographical reach, value of Growth Deal funding, typology and key performance indicators. A reliance solely on secondary data was of limited value because it failed to capture different worldviews – a key element of SSM. As such there was a need to consult with LEPs in greater detail through the collection of primary data. The large-scale survey was rejected in favour of a series of semi-structured interviews with the Directors of LEPs to allow the researcher to gather sufficient depth of data.

Figure 2: Summary of Data Collection Methods



To address the time constraints and ensure that a detailed picture of activity and outcome was established it was necessary to limit the sample of LEPs from 38 interviews to a smaller more manageable sample drawn from the initial analysis. It was preferable to include within the sample a good mix of LEPs that included a spread drawn from the LEP typologies, a diverse mix of both rural and urban LEPs and as such geographical cluster of LEPs was considered suitable on a

theoretical, empirical and practical level and given the links already established by the researcher the Midlands Engine was selected. A key component of Soft Systems Methodology involves the collation of different worldviews and so in addition to the LEP Director interviews representatives from the Department of Business, Energy and Industrial Strategy (BEIS) were interviewed to offer a point of comparison and a means of validating the information provided by the individual LEPs. The analysis of the interviews and secondary data enabled the selection of four case studies that have been the focus of further data collection, in the form of depth interviews with LEP Board members and observations of LEP Board meetings.

Initial Findings

This section presents the early findings and explains how the LEP conceptual model has been developed thus far.

Establishing the criteria for partnership effectiveness from the literature

A synthesis of the literature on effective partnerships and healthy entrepreneurial ecosystem identified a series of variables that collectively provided a draft conceptual framework of LEP partnership effectiveness summarised in Table 1.

Table 1: Draft LEP Conceptual Model

Factors drawn from the literature on effective partnerships and collaboration	Factors drawn from the literature on healthy entrepreneurial Ecosystems	Criteria Heading
Leadership (Carley et al. 2000, Mcquaid 2009, Pike et al. 2015, Pugalis, L. and Bentley, G. 2013c, Hildreth, P. 2011, Bentley, Gill and Pugalis, Lee 2014, Tomaney 2014, Bailey, N. 2003, Huxham and Vangen 2000, Skelcher and Sullivan 2008, Vangen and Huxham 2003, 2013, Vangen et al. 2014)	Leadership (Isenberg 2010) from a strong group of entrepreneurs (Feld 2012)	Leadership
Nurturing and engaging partners; confidence and continuity (Carley et al. 2000, Mcquaid 2009)	Engagement and network density (Feld 2012)	Partner Engagement

Factors drawn from the literature on effective partnerships and collaboration	Factors drawn from the literature on healthy entrepreneurial Ecosystems	Criteria Heading
<p>Effective group interaction (Pugalis and Bentley 2013c, Barca et al. 2012, Pugalis and Townsend 2013, Hildreth and Bailey 2013, 2014)</p> <p>Trust and engagement (Huxham 2003, Skelcher and Sullivan 2008, Huxham and Vangen 2000, Vangen and Huxham 2013, Bailey 2003, Vangen and Huxham 2003, Vangen et al. 2014)</p>		
<p>Resources and skills (Carley et al. 2000, Bentley et al. 2010, Pike et al. 2015)</p> <p>Clarity around resourcing (Huxham 2003) to maximize their impact and value (Skelcher and Sullivan 2008)</p>	<p>Access to capital and support services (Feld 2012)</p>	<p>Skills and resources</p>
<p>Inclusive v exclusive, balanced structures (Carley et al. 2000)</p> <p>Strong governance arrangements (Pike et al. 2015)</p> <p>Clarity of structure and governance arrangements (Huxham 2003, Skelcher and Sullivan 2008, Huxham and Vangen 2000, Bailey 2003, Vangen and Huxham 2003, Vangen et al. 2014)</p>	<p>Supportive policies and governance frameworks (Feld 2012, 2013;)</p>	<p>Structure and governance</p>
<p>Vision and clear strategic focus</p> <p>Common aims (Huxham 2003, Vangen and Huxham 2003, 2008)</p> <p>Clear workable strategy (Carley et al. 2000,</p>	<p>Entrepreneurial strategy (Feldman 2014)</p>	<p>Strategic vision and planning</p>

Factors drawn from the literature on effective partnerships and collaboration	Factors drawn from the literature on healthy entrepreneurial Ecosystems	Criteria Heading
McQuaid 2009, Pike et al. 2013, 2015)		
Partnership history and culture (Carley et al. 2000) Historical capacity for collaboration (McQuaid 2009, Pugalis and Townsend 2013, Pike et al. 2015, Pugalis and Bentley 2013c) Pre-existing balance of power between partners (Huxham 2003, Skelcher and Sullivan 2008, Huxham and Vangen 2000, Vangen and Huxham 2013, Bailey 2003, Vangen and Huxham 2003, Vangen et al. 2014)	Historical character of place (Feldman 2014); benefit of a pre-existing culture (Spigel 2015)	History of partnership

Exploring the Model in the Real World

To begin to explore the fit and appropriateness of the draft model within a LEP context the semi-structured interviews undertaken with the 10 LEP Directors and the BEIS staff were coded and analysed to explore factors highlighted by interviewees as having an enabling or inhibiting influence on LEP development and progress. This was compared with the evidence from the existing research literature which enabled a profile of each of the 10 LEPs in the study to be produced focussed around the six criteria in the conceptual model. This added further depth to synthesis of the literature across each of the key criteria that resulted in the following considerations:

Leadership

The presence of effective leadership has been identified as one of the key components of an effective partnership (Carley et al 2000, McQuaid 2009, Pike et al 2015, Pugalis and Bentley 2013, Hildreth 2011, Hildreth and Bailey 2013, Bentley and Pugalis 2014, Tomaney 2014). McQuaid has also held that continuity of leadership approach had a beneficial impact (2009). Nelson and Zadek

placed value of partnerships lead by people with strong leadership characteristics (2000). McQuaid (2009) adds the need for them to have a genuine desire to make the partnership work and highlights the benefits of continuity of approach/ membership to maintain trust and certainty. Carley et al (2000) in their research highlighted the importance of leaders with seniority, competence and strong chairing abilities to drive activity and progress. Feld (2012) in his work on strong entrepreneurial ecosystems values the presence of a strong group of entrepreneurs who are visible, accessible and committed to the locality. Bailey has noted the benefit of getting the private sector back into the civic arena as working partners as crucial to creating a new generation of high profile local leaders (Bailey 1994). Analysis of the LEP interviews also highlighted the following pointers for LEP success:

Criteria 1: Leadership

- Seniority of the chair and LEP Director/ Chief Officer
- Continuity and competency in chairing ability and Chief Officer experience
- Local commitment, visibility, profile of Chair and Chief Officer

Partner engagement

Caley (2000) and Plummer and Zipfel (1998) in their exploration of regeneration partnership noted the importance of engaging and nurturing a range of partners effectively, and called for a balance between being inclusive whilst guarding against unwieldy structures. As such the degree to which partners, notably business in the case of LEPs, are engaged and motivated is a valuable indicator of partnership health. McQuaid also noted that continuity of membership helped to build and maintain trust and certainty (2009) whilst other highlight the need for clarity in relation to role, contribution and ability to make decisions to ensure effective partner interaction (Pugalís and Bentley 2013, Pugalís and Townsend 2013, Hildreth and Bailey 2013, 2014). Feld (2012) observed that strong entrepreneurial ecosystems have a deep, well-connected community of business along with engaged and visible investors, advisors, mentors and supporters that cut across sectors, demographics, and culture engagement and everyone must be willing to give back to the community. He also valued the frequency of events for entrepreneurs and community to connect, with highly visible and authentic participants. Whilst commentators placed a strong focus on private sector engagement (Feld 2012 and Isenberg 2010), the engagement of organisations that complement each other's resources and expertise is important to maximising the benefits of

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partnership working (McQuaid 2009). Others caution the need to balance membership, engagement and involvement of stakeholders to ensure inclusion whilst avoiding unwieldy partnership structures (Carley et al 2000). Analysis of the LEP interview also confirmed the following pointers for LEP success:

Criteria 2: Partner Engagement

- Evidence of partnership density whereby the mix of partner complimentary, multi sectoral
- LEP provides a variety of events to appeal to different groups and availability
- Evidence of the motivation and willingness of partners is apparent

Availability of skills and resources

The range and nature of resources including the skills, competencies and capacity of partners is a recognised criterion of effective partnerships (Nelson and Zadek 2000, Pugalís and Townsend 2013, Carley et al 2000, Pike et al 2015; Bentley et al 2010). Mackintosh's (1992) budget enlargement model of partnership working highlights that by working collaboratively partners can gain access to additional resources. Hastings' (1996) work on partnership similarly notes the benefits accrued from resource synergy which brings 'added value' from the co-ordination of resources. Collaboration theory is characterised by a notion of synergistic gain from sharing resources (Huxham 1996). On a related point, partnership can be motivated by desire to achieve leverage, often in terms of public sector monies being matched and bettered by private sector investment (Bailey 1994). Leverage may not simply be financial. Access to additional skills, information, political access for voluntary and community groups, business access for the public sector and increased human resources are all recognised as motivating factors (Lowndes et al 1997, McQuaid 1994, Bailey 1994). Carley 2000 Partnership effectiveness is dependent on human aspects and requires partners to have strong personal skills to engage in complex interpersonal and organisational interactions. Analysis of the LEP interviews also confirmed the following pointers for LEP success:

Criteria 3: Skills and resources

- Synergy – evidence of pooling and co-ordination of partner resources

- Leverage – evidence of balance between public and private money, skills and capacity
- People – partners and staff have the appropriate level of capacity and skills

Structure and governance

Clear and transparent structures and governance arrangements were highlighted in the literature as a key factor in partnership success, which in part was dependent on the relative strength of the organisational and legal structures and the governance principles as well as its communication, consultation and decision making mechanisms (Nelson and Zadek 2000, Isenberg 2011, Plummer and Zipfel 1998, Pugalis and Bentley 2013; Pike et al 2015). Partnerships require clarity of objectives, policy integration and consideration about how they fit into the overall matrix of local governance (Holman 2013). Geddes evaluation of LSPs noted that a ‘virtuous’ circle occurred when the LSPs were deeply embedded in the local governance landscape as sustainable institutions (Geddes et al. 2007).

Nelson and Zadek’s (2000) factors for success include the strength of the organisational and legal structure and the governance principles. These were considered an essential component of partnership success in much the same way as infrastructure is essential within the entrepreneurial ecosystem conceived by Isenberg (2011). Analysis of the LEP interviews also confirmed the following pointers for LEP success:

Criteria 4: Structure and governance

- Clarity of structure and governance arrangements is apparent and reviewed
- Evidence of embeddedness into the local governance landscape
- Lean not unwieldy structures

Strategic vision and planning

Clear vision and strategic direction has been highlighted as a key ingredient of partnership alchemy including the presence of clear and common purpose with clarity of goals and strategic direction (Nelson and Zadek 2000, Carley et al 2000, Plummer and Zipfel 1998, McQuaid 2009, Huggins et al 2014). Feldman argues that localities can only progress when partners work together with a shared vision of prosperity and high quality of life (Feldman 2014: 18). Partners need to agree explicitly upon a shared purpose and strategy for achieving that purpose (Plummer and Zipfel 1998, Baum

2000). By drawing together a range of stakeholders to develop a shared agenda and a systematic and workable plan that has targets, resources and performance review agreed partnerships achieve greater effectiveness (Carley 2000). Analysis of the LEP interviews also confirmed the following pointers for LEP success:

Criteria 5: Strategic vision and planning

- LEP has a clear vision and that purpose is shared
- The SEP provides a systematic and workable economic plan
- Targets, resources and performance review have been agreed and are clear within the SEP or business plans

History of partnership working

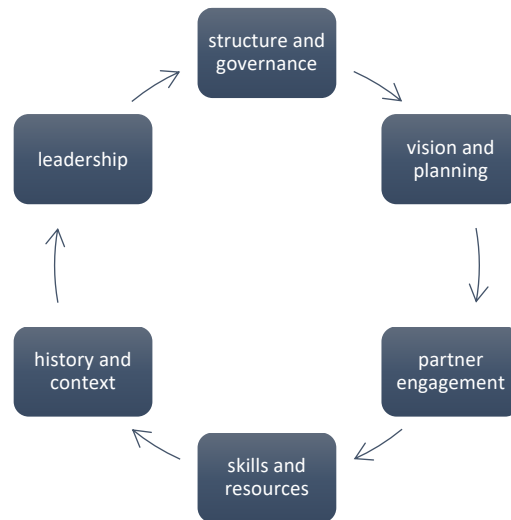
Whether history has aided or hindered the set-up of the LEP is of interest because Geddes et al 2007 in relation to the creation of LSPs and Pugalis and Bentley 2013 in relation to LEPs have noted that areas that have favourable local context and institutional network fare better. LEPs were also asked to consider a natural economic geography and the scale of their partnership at the time of their creation. Those areas with a history of positive collaboration and effective leadership have responded better to changes in policy than those who carry the baggage of historic political rivalries (James and Guile 2014, Pugalis and Townsend 2013, Hildreth and Bailey 2013). Geddes work on LSPs found a vicious circle was common in local contexts where there was no tradition of strategic partnership working and as such little trust between partners (Geddes et al. 2007). Analysis of the LEP interview also confirmed the following pointers for LEP success:

Criteria 6: History of partnership working

- Favourable local context and institutional network for the LEP to build upon
- Evidence of natural economic geography and scale
- History of positive collaboration and trust between partners

These variables added further support the draft LEP conceptual model (Table 1) and were summarised into a revised model (Figure 3).

Figure 3: Conceptual Model of LEP Development



Criteria 1: Leadership

- Seniority of the chair and LEP Director/ Chief Officer
- Continuity and competency in chairing ability and Chief Officer experience
- Local commitment, visibility, profile of Chair and Chief Officer

Criteria 2: Partner Engagement and Trust

- Evidence of partnership density whereby the mix of partner complimentary, multi sectoral
- LEP provides a variety of events to appeal to different groups and availability
- Evidence of the motivation and willingness of partners is apparent

Criteria 3: Skills and resources

- Synergy – evidence of pooling and co-ordination of partner resources
- Leverage – evidence of balance between public and private money, skills and capacity
- People – partners and staff have the appropriate level of capacity and skills

Criteria 4: Structure and governance

- Clarity of structure and governance arrangements is apparent and reviewed
- Evidence of embeddedness into the local governance landscape
- Lean not unwieldy structures

Criteria 5: Strategic vision and strategy

- LEP has a clear vision and that purpose is shared
- The SEP provides a systematic and workable economic plan
- Targets, resources and performance review have been agreed and are clear within the SEP or business plans

Criteria 6: History of partnership and local context

- Favourable local context and institutional network for the LEP to build upon
- Evidence of natural economic geography and scale
- History of positive collaboration and trust between partners

Assessing Partnership Effectiveness and Local Economic Growth

The 10 LEPs were graded against each of the criteria using a 3-point scale. A 3 and 5-point scale were tested and a 3- point scale chosen because whilst including enough points to differentiate partnerships from one another having fewer options made it easier to map partnerships as closely as possible to the underlying construct of the scale in a consistent manner. This in turn made it more likely to be interpreted the same by readers of and respondents to the research which increases the reliability of the study.

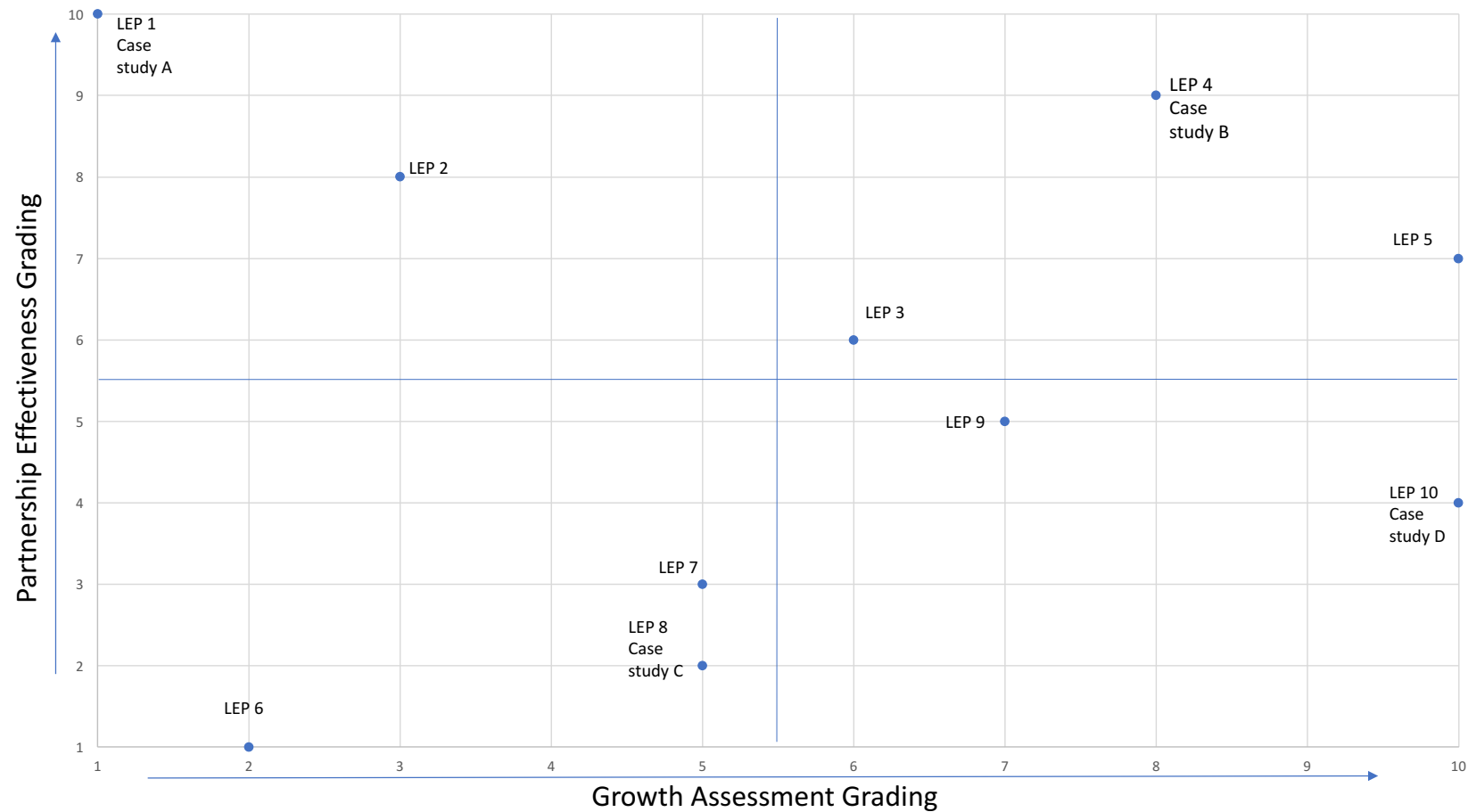
The partnership grading was open to subjectivity in assessment both by the researcher based on their interpretation of the documentation and by the interviewees comments during the interview. It was necessary for the grading for growth outputs to draw on an objective measure so that the partnership effectiveness grading could be compared with a range of key performance indicators.

Following the analysis of the 38 LEP's Strategic Economic Plans the 5 most common performance indicators were noted, namely, job creation, additional GVA, new homes, number of businesses and private sector investment. Data is collated on each of these measures in NOMIS except for the measure relating to private sector investment. In the absence of reliable comparative data this measure was discounted and substituted with measures relating to skills given that 18 of the total 38 LEPs and 4 of the 10 Midlands Engine LEPs had included at least one measurement of skills improvement. Each of the LEPs in the Midlands Engine were compared on their performance in the following areas between 2010 (when LEPs were created) and the most recent year for which data was available at the time of the assessment:

- Percentage increase in total number of employee jobs between 2010-2015
- Percentage Increase in GVA per head between 2010 and 2014 (2015 figures unavailable)
- Total number of new dwellings completed between 2012 and 2016 as a percentage of the total population
- Percentage increase in the total number enterprises between 2010 and 2016
- Increase in skills: measured by the increase in the percentage of working population qualified to NVQ4+ and the reduction in the percentage of working population with no qualification between 2010 and 2015

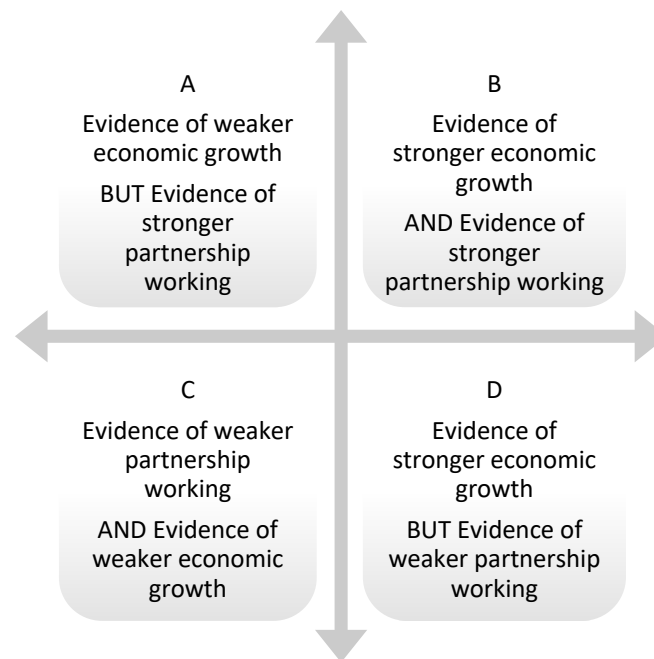
Based on the analysis of outcome data each LEP was given a grading from 10 (highest) to 10 (lowest) for performance against each of the key indicators which were then totalled to give a final score. The LEPs could then be ranked by their partnership effectiveness scores to give a two-part score whereby 1 equates to the lowest scoring partnership and 10 to the strongest presented in Figure 4.

Figure 4: Partnership Effectiveness and Growth Gradings



The partnerships could then be categorised into four typologies expressed in Figure 5: those that conformed to the proposition that stronger partnerships generate improved growth (B and C), and those that deviate either because their partnership effectiveness does not correspond to a strong growth output (A), or because they achieve a strong growth output inspite of partnership weaknesses (D).

Figure 5: LEP Typologies



Case Study Selection and Early Findings

Soft Systems Methodology encourages further exploration of the model to consult, debate and test its feasibility and desirability (Checkland, Peter and Poulter 2010) which lends itself to a case study design (Stake 1995). A case study was selected for each of the quadrants to provide balance, variety and an opportunity to learn (Stake 1995:6). Consideration was also given to issues of feasibility and pragmatism in that cases needed to be accessible, and researchable from a functional perspective and so distance, cost, accessibility and openness of key participants were all considered. The case studies also needed to include a diversity of scale and size: e.g. evidence of natural geography, rural /urban and a diversity of the LEP typologies, e.g. rural, core cities.

The case studies have involved observation and further interviews with a wider selection of Board members including the Chair or Vice Chair, a private sector, local authority and Further or Higher Education board members to develop a greater understanding of the driving and inhibiting factors pertinent to LEPs. In total across the four LEPs 20 interviews with Board members and LEP teams have been undertaken supported by 10 observations of Board and sub board meetings and LEP events.

The interviews and observations notes have been coded and analysed, and this report presents the headline findings below for discussion and validation with the case studies and BEIS.

Leadership

LEPs are intended to be business led partnerships and there was evidence of the pragmatism and private sector 'can do' attitude influencing the wider partnerships. All four case studies are chaired by someone of seniority and with strong private sector experience. The four vary in that some partnerships had retained the same Chair in the role from the outset whilst others had recruited more than one chair through their lifetime. Those with a continuous chair felt that this had helped the partnership progress. With changes in public sector leadership that was an inevitable part of changes in local government administration, having a continuous solid private sector leader was regarded favourably. Those who had experience more than one Chair felt that the skill set required changed over time and agreed that the selection of the leader needed to consider the right Chair for the right stage of partnership development and performance.

Most LEPs appeared to have selected the Chair based on who it was felt was right for the role as opposed to going through the process of openly advertising the role, short listing and interviewing. In some cases, the same process of selecting Board members had been adopted, at least in the early days of the LEP and interviewees saw this as evidence of the private sector influence:

"The private sector would say that that was the best way to do it, get the first half dozen people nailed on and then as people retire or move on from the LEP we have now a more formal process of recruitment and ensure we have a proper, calculable process for appointing people to the Board but I am not sure who did it but said 'let's get the Board round quickly' and it makes perfect sense really and exactly what a private company would do, just go and grab the people they wanted around the Board and get on with it."

That said, as LEPs had reviewed and tightened governance arrangements following the issue of national guidance, advertising and recruitment of new Board members and the election and re-

election of the Chair was now a far more open and transparent process. Summarising the skill set of the Chair and others in a LEP leadership role interviewees cited the following criteria:

- Pragmatism
- Patience and time to dedicate to the LEP
- Strong local connections and well respected in both public and private sector realms
- Good political links both locally and centrally
- Effective working relationship with the LEP Chief Officer and a range of complementary skills
- Appreciation of the public sector and in particular the role of elected members
- Strong skills in managing complex agendas and meetings is beneficial but each of the case study LEPs highlighted that the LEP Chief Executive/ Director were capable managers and so looked for strong leadership qualities in the Chair with the ability to develop and deliver a vision and secure genuine buy in from partners

Partner Engagement

There was an overall agreement amongst interviewees that the genuine engagement and participation by a range of partners was critical to the LEPs success and several interviewees highlighted this criteria as the most important of the six to secure. If a history of collaboration amongst partners did not exist then the LEP (notably through the Chair and LEP Director) have had to work hard to engage partners and build a level of trust and willingness to collaborate, rather than operate in isolation to parochial priorities.

Most LEPs adopt a form of proportional representation to keep the Board numbers manageable and weighted correctly to private and public membership whilst ensuring they remained inclusive. All include Board Directors from the private sector and this is usually the larger local businesses plus some form of representation from SMEs, and the public sector via representation from local authorities in the form of the elected political leaders. Local universities are represented on all four Boards. Where there is more than one University in the LEP area some select a single representative to attend on behalf of the sector, whilst others invite all higher education establishments in recognition that skill specialisms vary. The engagement on the Board of Further Education colleges varied in some LEPs it was not clear whether the various Further Education colleges had yet organised themselves effectively to be represented at the Board. Most LEPs had an FE

representative selected to sit on the Board to represent the sector whilst others invited them as an observer to the Board without voting rights.

As a more general observation from attending Board meetings and reviewing Board papers most are comprised of predominately male, white Board Directors. In 2014, 20% of SMEs in the UK were majority led by women which equates to around 1.1 million SMEs. Businesses at least partially led by women accounted for 38% of all SMEs in 2014, around 2.0 million SMEs (Rhodes, 2016). It is estimated that in the UK women-led SME businesses contribute about £75 billion to economic output (16% of the UK SME approximate GVA total). Six per cent of SMEs in the UK were majority led by minority ethnic groups which equates to around 295,000 SMEs contributing around £30billion to GVA or 6% of the UK SME approximate GVA total (BIS 2013). As such some interviews queried the issue of Board diversity and referenced more recent successful efforts to increase the gender diversity of their Boards, whilst others questioned the lack of minority ethnic directors given the diversity of the local community they represented.

Interviewees recognised the challenge of public/ private collaboration and so careful consideration had been given to selecting Board members based on who had the right skills and knowledge but also on the personal qualities they bring. There was evidence consideration in the selection of Board members to ensure an effective mix:

“There’s the competencies and the knowledge that you are looking to get from these business leaders but it’s also the behaviours and get those right and you are going to have a good interaction between elected representatives and the private sector.”

The level of engagement and activity of Board members seems to vary. During some of the case study interviews and observations of the Board meetings, the allocation of responsibility to Board Members was clearly evident. Interviewees acknowledged that the volume of work for the LEP had grown overtime and so had drawn on the skill pool available to share responsibilities across the Board members:

“The other thing that we have done is that the Chairman has looked to ensure that Board members carry a degree of responsibility for themes so that spreads the load and it also grows understanding across a broader range of private sector members.”

Others seemed more, if not over reliant, on an Executive Team to deliver the LEP business and the role and contribution of individual Board members was less clear. Some voiced concern that as the business of the LEP has grown, the expectations placed on Board members had increased and so

keeping on top of the agenda was becoming increasingly difficult:

“The complexity and the volume of activity that the LEP is now involved in would make me question whether all Board members have been able to develop sufficient knowledge on every aspect which we are deciding on so that the LEP approval is one which is based really on a deep understanding as opposed to superficial understanding.”

Several interviewees also questioned whether they had secured the genuine commitment of business leaders or indeed whether they had been successful in securing the leaders from the right local businesses, and across several of the case studies it was questionable whether the LEPS were genuinely being led by business, and there was a general consensus that there was always more to do particularly to access the harder to reach smaller and micro businesses:

“I guess my residual concern is if one thinks about LEPs as being business led I, from time to time, have some questions about how strong the business voice is within this LEP and I particularly have concerns about whether we have got really heavy hitters around the table from the business point of view.”

The time commitment required from Board members was cited as one of the potential challenges but also the dominance of the public sector who were already used to joining forces across a wider geographic area:

“I think the public sector is very powerful in the sense that the leaders around the table have a strong voice, they have their priorities and they work together. The private sector doesn’t do a bad job because in the same way that the public sector has their meetings in advance of the Board meeting they do the same. There is proper dialogue and consideration for what matters but it is just my sense that from time to time you need someone to really give a big shout on an issue and sometimes I think a little bit more input from the private sector at that level would be good.”

Several interviewees from both public and private sector recognised the challenge of allocating public money to a non- elected partnership, and felt that this hampered the LEPs ability to be genuinely business led. Those from the public sector in particular saw the issues with placing the accountability for spending public funds in private sector hands and there was clear tension voiced on this issue:

“There is the tension for LEPs and we were very candid about our LEP. Look we are private sector led, they are front and centre stage, they are the eyes and ears, they help guide and set the strategy but the reality is they are helping to

shape and determine spending decisions of money which is ninety five percent public and it's hard for the politicians to do that."

However, overall there was evidence of some genuine collaborations between the public and private sectors and in some cases, interviewees could cite example of how the need to collaborate with the private sector was having a positive impact on partner agencies, particularly local authority culture:

"These are people with considerable commercial experience in the field working with their public sector partners to try and maximise the impact of that particular area on the economic growth of the region as a whole. If we are all working at our own themes and then coming together to understand each other's themes plus the local authorities bringing the public sector side of things, to me that is the success of an effective LEP."

"We are slowly, very slowly, taking the local authorities to a place where they are combining resources so instead of having multiple teams ultimately the goal will be to run them more as a single team and apply some efficiencies that way."

Skills and Resources

Across the 10 LEPs reviewed the total funding allocated through the three rounds of Growth Deal funding (2014-2016) stands at over £1.8 billion, and most LEPs recognised that the level of central funding for capital projects had increased considerably over the last 5 years, and agreed that the funds coming through central government were generally sufficient to achieve the aims set out in the Strategic Economic Plans. However, all cited a lack of revenue funding to administer the growing workload of the LEP as an inhibiting factor, and some argued that the blanket contribution from central government should be replaced by an allocation that was proportionate to the size of the LEP area.

"I think a lack of resources is really holding (LEPs) back and I think that LEPs could achieve a lot more if we had a little bit more resource because it's really difficult to actually cover so much, all the European funding and the growth fund programmes and the growth hub and it's engagement - it is a lot of work and I think all LEPs are very stretched in terms of their resources. There's revenue to actually run the organisation which is very difficult to do as much as we do with the small amount of money that comes from government and a small contribution from local authority."

The size of the LEPs Executive staff varies from 6 to 30+ staff but all case studies felt they were over stretched. Often the LEP administration tasks fall to local authority staff who are either seconded directly to the LEP or made available for LEP work. In LEPs that have chosen to recruit staff directly

to a LEP Executive Team often there are direct financial contributions from the Local Authorities in the area to support these appointments with recognition that diminishing Local Authority resources was making this increasingly difficult:

“The first thing is, and we continue to do this, is use the resources of the local authority staff where they are available but we have always been clear about keeping a small team and not spending more money than we get from government but we have had to evolve because of the increased amount of work that government have asked us to do.”

“Because of resources being cut from local authorities what tends to happen is actually you are under resourced from an executive perspective and that will have an impact on delivery.”

There was little evidence of direct financial contribution from other partners, but it was noted that the in-kind contributions in time, venue space, effort and experience were significant and the costed value of that contribution was considered extremely valuable:

“In terms of resources I suppose the contribution from the private sector isn’t often financial but it’s that wealth of experience and that insight, that critical review. If you costed that out to an external consultant I dread to think what they would charge.”

Several interviewees called for the ability to top slice local growth deal funds and use a small percentage to cover the administration and management of the fund. Some LEPs appeared to have found a way to allow this to happen already. There was also criticism of the limited time span to the funding and delays in funding announcements from central government, which meant LEPs had difficulty long term planning with any certainty, and employing staff on permanent contracts which in turn limited the pool of people applying.

Some interviewees could cite evidence of improved and more cost-effective use of public sector resources that had been brought about by partner collaboration and in particular the influence of the private sector:

“Certainly, in the early days there was a lot of resistance to providing resource to support the LEP programmes. I think that has completely gone now, I think that they (Local Authorities) have realised that actually there is real benefit.”

Structure and Governance

There were some differences in the form of partnerships observed: some are non-constituted partnerships whereas others have chosen to set up as separate companies limited by guarantee but in all cases, given the allocation and management of public funds, a Local Authority was named as the accountable body. There were mixed thoughts on the discernible benefits to being constituted as a separate company. Some felt it was beneficial given the scale of activity the LEPs now undertake, others felt it was necessary to be able to offer insurance and assurance to the Board Directors involved. Others who were not limited companies failed to see any real benefits.

The influence of the private sector on governance arrangements was evident in the feedback from interviewees across the LEPs. Business involvement on the Boards has helped LEPs to keep governance fit for purpose whilst steering away from over complicated structures and frameworks. The national guidance on Assurance Frameworks (DCLG and BEIS 2016) has seen all LEPs review and tighten up on governance arrangements but interviewees recognised the need for LEPs to remain fleet of foot and agile:

“Businesses know no boundaries so all of these structures need to enable growth My feeling for what the LEPs have brought into the mind-set is a greater understanding of business, they are not really interested in your local governance, as long as it’s fit for purpose and simplified. So hearing it from a business as to what works and what doesn’t work has influenced how leaders have tackled governance of the LEP.”

That said there was evidence of LEPs adopting clear criteria relating to declarations of interest and funding allocations with transparent processes that in several cases included the review and evaluation of applications for funding by independent consultants and bodies. There are also clear processes of decision making between the tiers of the LEP structure with decisions made in advisory committees and sub groups taken to the full Board for approval.

Membership of the Board in all four case studies was being kept to a manageable number of around 15 to 20 people but with other attendees included as observers, Board meetings in some cases felt over crowded. It was possible that some LEPs have used observer status to limit the main Board size whilst appeasing the large number of interested notably public sector parties. There is a danger that the function of the Board can become lost when the membership becomes augmented and unwieldy and when Board meetings lack the time to enable all attendees to contribute and debate matters fully they run the risk of becoming a rubber-stamping exercise. This is particular likely as

scale of business undertaken by LEPs grows. Some LEPs referenced the use of strong and effective sub groups and committees to reduce the burden on the main board, and identified that it was in these sub groups that the main LEP business was undertaken, which freed up the main Board to ensure strategic overview of recommendations made by those committees was subject to proper governance and examination of the way in which recommendations had been arrived at:

“The use of our sub committees has been very important because we expect a lot of the hard work to have been done in those sub committees not in the main Board meetings. Main Board meetings are to make sure that the strategic overview of the recommendations made by those committees is subject to proper governance.”

The level of information provided to the Board varied from summary papers to lengthy reams of reports and data circulated in advance. Some interviewees were frustrated at the volume of information and called for a more targeted and concise approach:

“My frustration with the LEP is they get far too many spreadsheets with little figures that you can’t really read and don’t necessarily tell us anything particularly. There is far too much at the Board and probably we need to work around trying to filter that down - now we have the ability to collect information are we collecting it for the sake of collecting it rather than for the sake of showing anything?”

Others highlighted the influence of the private sector on improving the quality and quantity of management information coming to the Board meetings and had used the private sector influence to reduce the pace of reporting on progress which was fortnightly in some cases.

Strategic Vision and Planning

There is a degree of commonality to the Strategic Economic Plans produced by the LEPs: all are evidence based and have adopted a medium (2020) or longer term (2030) vision for the local area. The plan is then broken down into shorter plans that commonly adopt the core themes of People, Place and Business whilst focusing on enabling themes such as planning, infrastructure, housing.

The production of the plans relies on the LEP Executive Team who then consult and engage with the Board, sub groups and wider engagement events to varying degrees before the final version is circulated to the Board for approval. As such there is mixed evidence of Board members actively

engaging in the strategic process through away days and Board discussion to draft visions and strategies and in some cases, appears to be over reliant on the Executive Team to the frustration of Board members:

“No, it has been a little bit top down. The LEP team got together and said ‘right this is our vision and here is the strategic economic plan and here is the documentation and this is what we are.’”

LEPs have sought to incorporate relevant local authority plans and accompanying targets into the SEP which was seen as essential to making the plan core and not peripheral activity locally which enabled the SEP to take a wider spatial view beyond the sometime parochial priorities of individual local authorities. Interviewees regarded securing partner buy in to a wider spatial strategy as a real achievement of the LEP and one that was not easy to achieve.

A sense of shared strategic vision within LEPs was less clear both during the Board meetings that were observed but also from the interviews with LEP Board members. Most Board members interviewed felt they had a broad understanding of a shared vision and what the LEP was trying to achieve but there were criticisms that this again had been prescribed and lacked ownership as a result:

“The vision behind the strategic economic plan we just didn’t get that much of a say in that and I think it shows in the fact that no one really owns it.”

There appears to be a link between the leadership style of the Chair and the sense of shared vision and common purpose expressed amongst partners that needs further exploration in the analysis:

“Bear in mind also the Strategic Economic Plan – the LEP is not a driver for a lot of it, a lot of it is about creating a vision for the area and it is what the Chair and then individual partners and councils are doing to achieve that vision.”

Interviewees expressed frustration at the desire to set a long-term vision for the area that was often thwarted by the short terms of political office that meant that the local Strategic Economic Plans with their medium to long term strategies sat uneasily against the central short termism:

“There is no guarantee so trying to put in a medium long term strategy can be undermined by the electoral cycle both locally but particularly nationally.”

“It is one thing to be told to work out a five, ten, fifteen-year plan. If government then says ‘actually we haven’t got time for all this, there is an election coming up next May, I want to see that five-year plan reduced into a

one year plan and actually I want to see what can we start digging tomorrow because I need our ministers out there'. What happens is that strategy turns into short term action plans, that isn't how you build long term growth."

Whether the strategy was business led was unclear. The LEPs all have a Chair with strong private sector experience (although some retired from active duty), but it was not always evident that the private sector were driving the local agenda and as previously stated the issue of accountability of public funds makes this difficult to achieve. Some argued that there was no longer a need for the LEP to be business-led favouring a leadership based on ability not delegation. All interviews recognized that a productive collaboration between private sector and public sector and the quasi-public sector organisations like universities and colleges was a critical factor to the success of the LEP, and achieving a genuine collaboration between public and private sectors was reliant on partners adopting the right behaviours and commitment to partnership ethos and culture and allowing time for partners to build trust.

History of Partnership Working

Linked to the previous section, interviews highlighted the difficulty of establishing a natural economic geography and governance framework outside of the key cities, and those LEPs that were founded on an existing culture of partnership collaboration appear to have fared better at least in the early stages of partnership development. There was a recognition that the UK's economic paradigm continues to lean heavily towards a centralised system, and so those areas that had an established sub national/ sub regional tier could absorb central changes to policy and direction more quickly.

The Black Country LEP for example had the benefit of the Black Country Consortium, a sub-regional partnership that was set up in around 2000 between the four metropolitan authority areas along with the private sector and other key representatives from the Higher and Further Education and the voluntary sector working together to drive the renaissance agenda locally. This history of collaboration was cited as having helped the LEP overcome many of the hurdles to developing a new tier of governance and by retaining the same Executive staff and the same Chair the LEP was able to take on the LEP status and offer continuity to local partners. The pre-existing consortium was 'designed by the local partners for the local partners', and as such was already locally valued and owned by partners. Rather than responding to the changing desires of central government policy the Consortium had already weathered several different funding streams and policy

iterations to help deliver a locally agreed vision and strategy. The benefits of partnership had already been accepted and a level of trust was in place to facilitate the process of working collaboratively to achieve stronger growth.

Other areas had a similar degree of functionality to their partnership arrangements ahead of the creation of LEPs and interviewees cited this as an advantage. Those areas that lacked a history of partnership working across their new LEP geography reference tensions and a 'difficult birth' that was influenced more by central drive than local wishes. Clearly the history of partnership offers a foundation of trust for partners to build upon in developing a wider spatial vision and plan for the area that transcends the parochial.

Concluding, interviewees were proud of the achievements of their LEPs and cited the increasing allocation of Local Growth Deal funding as evidence of central confidence in the partnerships but there was caution that the ongoing centralised system meant that the power of the LEP was relative. There was further concern that the creation of additional sub-regional partnerships in the form of Combined Authorities and super regional partnerships in the form of the Midlands Engine complicated and confused the landscape.

"What LEP is doing is nudging one way or another and shaping as opposed to really having sufficient power to create. You are trying to make a difference within the broader framework and you can only move some of the small pieces locally, you can't move the big pieces nationally."

"I think if you have a combined authority you have to start sitting down and say 'why does the combined authority not have a business forum or something'. You have a very clear governance structure and you pull down skills funding and you pull down infrastructure funding to the combined authority. If you pull it down to the combined authority why do you have this LEP in parallel?"

Discussion and Next Steps

The commonality in the literature on ecosystems and partnerships pointed to a series of criteria that formed the basis of a LEP development model. The empirical data presented here in its early form provides greater detail to our understanding of how these factors inhibit and drive partnership progress, summarised in Table 2.

Table 2: Refined LEP Partnership Effectiveness Framework

Criteria	Draft Model	Emerging Findings
Criteria 1: Leadership	<p>Seniority of the chair and LEP Director/ Chief Officer</p> <p>Continuity and competency in chairing ability and Chief Officer experience</p> <p>Local commitment, visibility, profile of Chair and Chief Officer</p>	<p>Selecting a Chair that has the right skills and qualities for the various stages of partnership development is as important of having some continuity to the Chair.</p> <p>Chairs need to have strong skills in managing complex agendas and meetings, but with competent LEP Directors or Chief Executives in post the focus should be on their leadership capabilities, notably the ability to develop and deliver a vision and secure genuine buy in from partners.</p>
Criteria 2: Partner Engagement and Trust	<p>Evidence of partnership density whereby the mix of partner complimentary, multi sectoral</p> <p>LEP provides a variety of events to appeal to different groups and availability</p> <p>Evidence of the motivation and willingness of partners is apparent</p>	<p>Trust needs to be built between partners where it does not already exist and this takes time.</p> <p>Partners need an appreciation of each other's strengths and limitations but should be open to learning from each other.</p> <p>Partners will need support to grasp the breadth of activity and business the LEPs are engaged in.</p> <p>Attention should be paid to selecting Board members based the skills, sector and knowledge requirements but also for the personal qualities they bring and new Boards members should fill gaps that are missing.</p>

Criteria	Draft Model	Emerging Findings
		<p>Effort must be given to ensure the ethnic and gender diversity of the Board reflects the local area.</p> <p>Partner motivation should be to achieve an outcome that is greater than the sum of the parts that transcends the individual priorities of partners.</p> <p>Working to create the strongest shared outcomes across the area is preferable to ensuring you secure a share of activity for your own patch.</p>
Criteria 3: Skills and resources	<p>Synergy – evidence of pooling and co-ordination of partner resources</p> <p>Leverage – evidence of balance between public and private money, skills and capacity</p> <p>People – partners and staff have the appropriate level of capacity and skills</p>	<p>Recognise the value of in kind contribution from the private sector in changing public sector efficiency.</p> <p>Short term funding is not conducive to long term planning or securing long term human/ financial resources.</p>
Criteria 4: Structure and governance	<p>Clarity of structure and governance arrangements is apparent and reviewed</p> <p>Evidence of embeddedness into the local governance</p>	<p>Keep governance arrangements fit for purpose and avoid over complicated structures and frameworks.</p> <p>Regular review of arrangements following the national guidance on Assurance Frameworks is essential but ensure the partnership remains</p>

Criteria	Draft Model	Emerging Findings
	<p>landscape</p> <p>Lean not unwieldy structures</p>	<p>fleet of foot and agile.</p>
Criteria 5: Strategic vision and strategy	<p>LEP has a clear vision and that purpose is shared</p> <p>The SEP provides a systematic and workable economic plan</p> <p>Targets, resources and performance review have been agreed and are clear within the SEP or business plans</p>	<p>The Chair and Executive Director has a strong influence and responsibility for building a shared vision.</p> <p>Whilst they lead and inspire they should avoid being top down in approach. Vision building and strategic development should be a shared process to ensure partner buy in.</p> <p>Performance information should be targeted and clear – not information for information's sake.</p>
Criteria 6: History of partnership and local context	<p>Favourable local context and institutional network for the LEP to build upon</p> <p>Evidence of natural economic geography and scale</p> <p>History of positive collaboration and trust between partners</p>	<p>The sub criteria are all evident in the research and so the churn in sub-national partnerships particularly in areas that have to form new partnerships is not conducive to the end of goal of achieving improved economic growth and development.</p>

All interviewees agreed that the core 6 factors were the main criteria for success but early analysis suggests nuances within the data that have been summarised in Table 2. Ahead of further analysis your views on the research findings are welcomed at this stage to guide the development of the model and the study more broadly. In particular, the following points are of interest:

- Do you agree that the criteria (summarised in Table 2) are the driving factors for LEP collaboration?
- Is there anything missing from the criteria?
- Are some of the criteria of greater importance than others in your view?
- Have the findings been of interest to you? Has it increased your knowledge of LEPs and partnership collaboration?

In addition to the academic outputs the research is intended to be of practical benefit to LEPs and wider stakeholders.

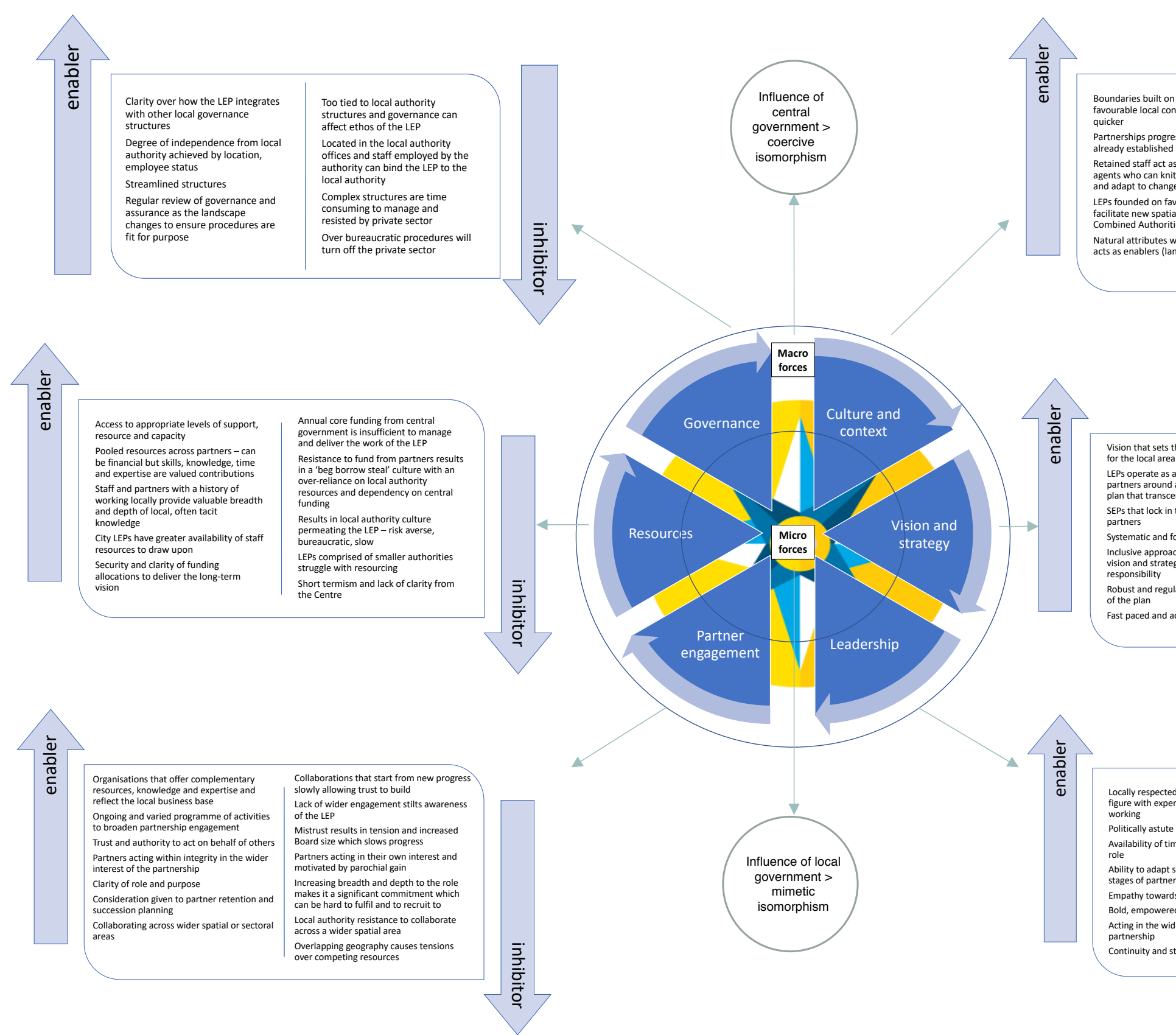
- How can the research findings be presented to be of greatest value to you?
- Individual case study reports will be made available to each case study LEP: what format should these take?
- How can the research findings be presented to be of greatest value to policy makers in the broader arena of economic development/ decentralisation and partnership collaboration?

Having collated the feedback at this interim stage, the interview data will be further interrogated to extract guidance for LEPs. Having completed the first round of coding the further analysis will adopts a more analytical approach to look for patterns and explanation in the broad themes to consider whether certain codes relate to each other, have a sequential organisation or prioritisation and offer evidence of relationships between themes.

By using the empirical research guided by a Soft Systems Methodology a final model can then be developed that will offer guidance to all LEPs at a time when opportunities for the sharing of practice remain limited. Interviewees indicated a limited awareness of what others were doing and peer review was becoming a popular idea but resources for this were limited.

Appendix H: Compass of Collaboration figure in A3 scale

Appendix H Compass of Collaboration figure in A3 Scale



Source: Author's Own